



A NEW BEGINNING AT EVERY END

ANNUAL REPORT 2010-11

 JINDAL SAW LTD.  
JINDAL TOTAL PIPE SOLUTIONS

# THERE ARE NO FULL STOPS TO GROWTH

At Jindal SAW, the end of a pipe is not seen as a conclusion, but a beginning in itself. A start of endless possibilities. Of development, of expansion, of sustained growth that helps the globe and the lives of people. It is this belief that propels Jindal SAW's continuous growth and makes it an integral part of the \$15 billion O.P. Jindal conglomerate.





Shri O. P. Jindal  
(1930-2005)

# VISION IS IMMORTAL.

## **Best before the biggest.**

In an age when an obsession to outgrow others is paramount, our founder chairman Shri O. P. Jindal saw the vital need for focusing on being the best. A rare visionary, he made quality the DNA for the group's growth.

To-day, in the unseen presence of its doyen, the group continues its leadership journey, guided at every step by his immortal vision.



JINDAL SAW LTD.  
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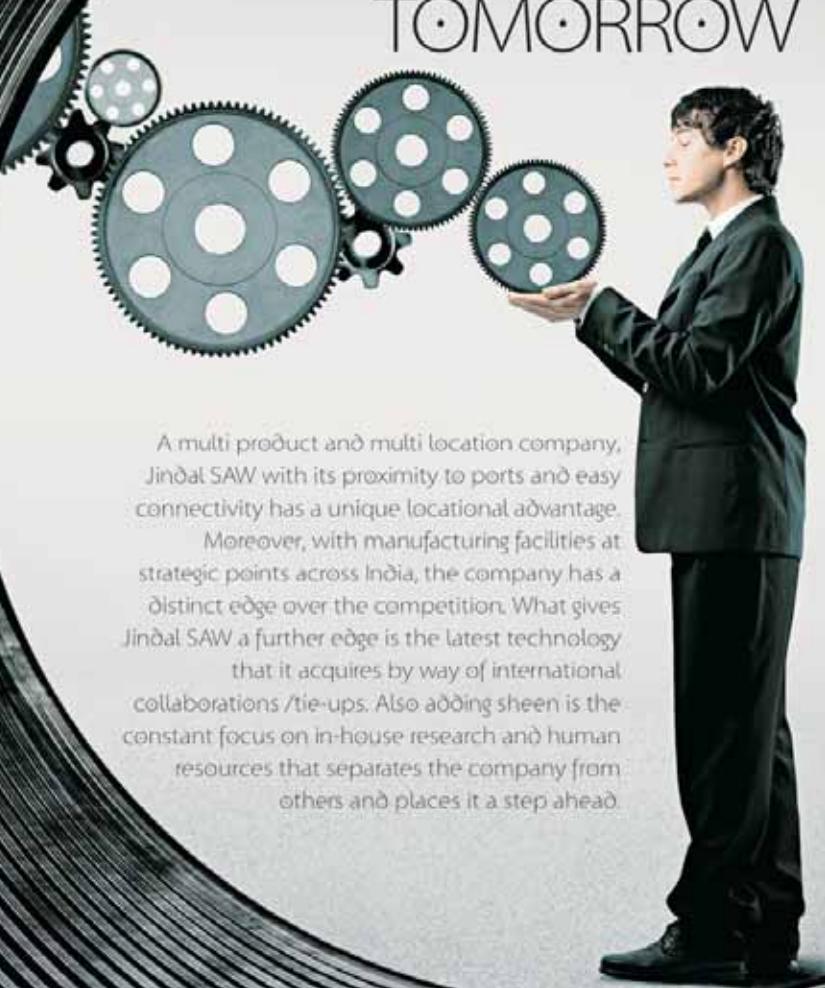
# WHEN THE FUTURE BECKONS, **ALWAYS ANSWER**

Realising the need of the hour to become key players in global infrastructure development, Jindal SAW has made phenomenal strides in the field of Oil & Gas, Water transportation and Wastewater management.





## REACHING OUT, TOUCHING TOMORROW



A multi product and multi location company, Jindal SAW with its proximity to ports and easy connectivity has a unique locational advantage.

Moreover, with manufacturing facilities at strategic points across India, the company has a distinct edge over the competition. What gives Jindal SAW a further edge is the latest technology that it acquires by way of international collaborations / tie-ups. Also adding sheen is the constant focus on in-house research and human resources that separates the company from others and places it a step ahead.



JINDAL SAW LTD.  
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# TRUST IS A JOURNEY, NOT A DESTINATION

Over the years Jindal SAW has continued to gain the confidence and trust of its stakeholders – from employees, associates, shareholders and people whose lives have benefitted by the company's endeavours.



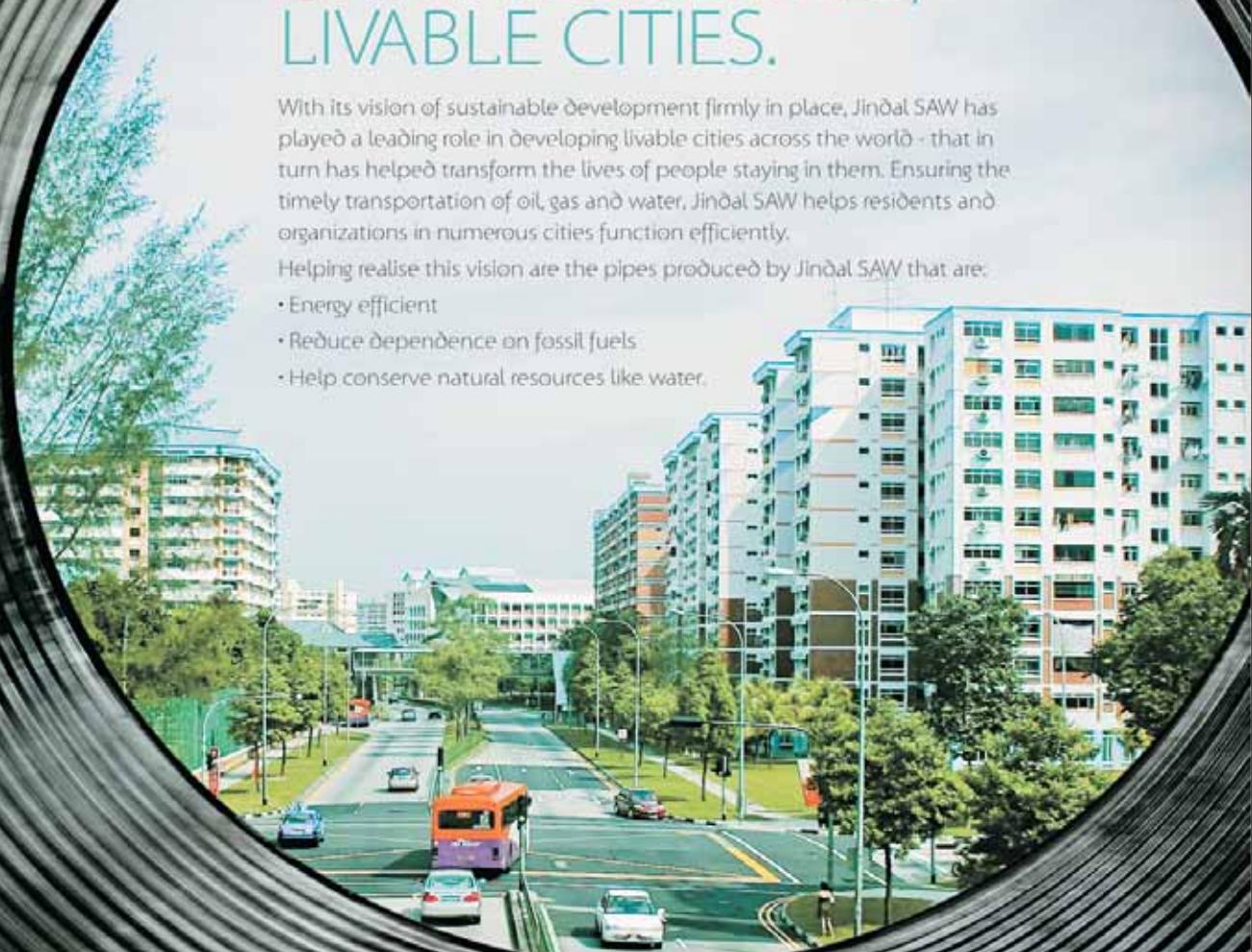


## AIMING TO MAKE URBANIZED CITIES, LIVABLE CITIES.

With its vision of sustainable development firmly in place, Jindal SAW has played a leading role in developing livable cities across the world - that in turn has helped transform the lives of people staying in them. Ensuring the timely transportation of oil, gas and water, Jindal SAW helps residents and organizations in numerous cities function efficiently.

Helping realise this vision are the pipes produced by Jindal SAW that are:

- Energy efficient
- Reduce dependence on fossil fuels
- Help conserve natural resources like water.





JINDAL SAW LTD.  
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# STRENGTH RADIATES FROM A FIRM FOUNDATION

With an experience of over two-and-a-half decades in its favour, Jindal SAW Limited was a pioneer in bringing Submerged Arc Welding technology to India. Being part of the ever growing \$15 billion O.P. Jindal Group certainly helped in taking this giant step. And it is this strength that the company draws on till today as it diversifies and leaves an indelible mark in areas like infrastructure, transportation and fabrication.



## NEW HORIZONS. ENDLESS POSSIBILITIES.

At the very core of Jindal SAW is imprinted the conviction of never being content with success attained. New boundaries, new challenges and new opportunities are what constantly drive the company to move ahead. Venturing forward into different areas of businesses, Jindal ITF – the infrastructure arm of Jindal SAW Ltd., is making rapid progress in the urban services sectors with:

- Water, Wastewater and Solid Waste Management
- Domestic Transport and Logistics
- Transportation Equipment Fabrication

Having identified the immense potential offered by these sectors for the future, JITF is developing five business verticals in these areas.



JINDAL SAW LTD.  
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## NOTHING GOES TO WASTE



Addressing the issue of urban municipal solid waste, JITF Ecopolis is leading the way with India's largest Waste-to-Energy project in Delhi. Nearing completion, the Timarpur Okhla plant is expected to start operations shortly and aims to generate 16 MW of power. The project will use about a third of the daily Municipal Solid Waste of Delhi, which stands at anything between 6000 and 8000 tonnes per day.

Timarpur Okhla Municipal Solid Waste Management Project is registered with UNFCCC for earning carbon credits.

Two additional integrated urban waste management projects in Punjab will help generate useful resources like compost in a sustainable, eco-friendly and efficient manner.



JITF Aquasource provides Total Water Solutions and is committed towards innovative processes for optimisation of Water and Wastewater Management.

Projects are executed on:

Concessions, Public Private Partnerships (PPP), Build, Own, Operate and Transfer (BOOT), Build, Operate and Transfer (BOT), Engineering, Procurement and Construction (EPC) with long term Operation and Maintenance (O&M).

Services:

- Raw water intake and conveyance systems
- Water transmission pipelines and distribution systems
- Drinking water treatment facilities
- Wastewater and effluent treatment plants
- De-salination plants
- Pre-treatment, de-mineralization, reverse osmosis and condensate polishing units





## THE RIGHT DIRECTION IS ALL THAT MATTERS

JITF Vector is setting new standards in cargo transportation along the Indian coastline and inland waterways. Through innovative logistics solutions, it is meeting the growing challenges of fuel linkages, especially coal, for the ever growing power generation base of India.

JITF Vector will change the traditional methods of shipping along the Eastern coast by deploying a high sea trans-shipper and barges. In addition to this, a fleet of eleven vessels including five container ships, two bulk and four barges offer options from short sea shipping containers, to break bulk ships.



JINDAL SAW LTD.  
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LAND OR SEA,  
THE ONLY WAY  
IS FORWARD.



Jindal Rail has set up a world class facility at Vaodara using state-of-the-art robotic cells and special purpose machinery to manufacture wagons. Made of aluminum and steel, which are much lighter in weight, these wagons offer far more spacious interiors. The plant has a manufacturing capacity of 3000 wagons, and the first roll out is expected shortly.



With the development of the Indian Maritime Technology Park in Gujarat as the state's first maritime industry cluster, JITF Shipyards is moving swiftly towards new frontiers.



DIGNITY FOR PEOPLE WITH REDUCED MOBILITY

# A WORLD OPEN FOR ALL. WITH NO BARRIERS.



Jindal SAW Ltd. continues to support Svayam, which has set an exemplary pace in not only creating awareness but also in motivating various civic and government agencies to take the necessary steps in making public infrastructure accessible and inclusive for all.

Svayam reaches out to all stakeholders by way of seminars, work-shops, free training sessions, presenting papers at various international forums and sharing the learning from various experiential projects it is involved in.

Svayam articulates mobility needs of people to government bodies like Ministry of Urban Development, Ministry of Tourism, Ministry of Social Justice and Empowerment, etc and to society at large to ensure that each one of us thrives in an inclusive and barrier free environment.

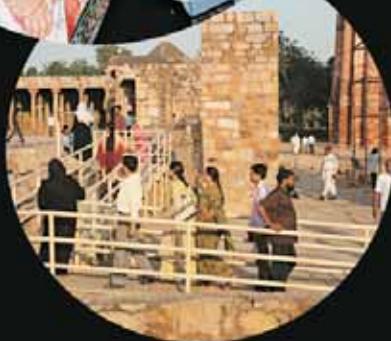


## RECOGNITION AND AWARDS

Qutub Minar and Red Fort - two of the many world heritage sites made accessible by Swayam and ASI, won the acclaimed National Tourism Awards in 2009 & 2011 respectively.

Swayam has joined hands with ASI to make world heritage sites in India barrier-free and accessible to all.

Swayam and ITDC have also teamed up to make all ITDC run hotels and tourist sites barrier-free and inclusive.



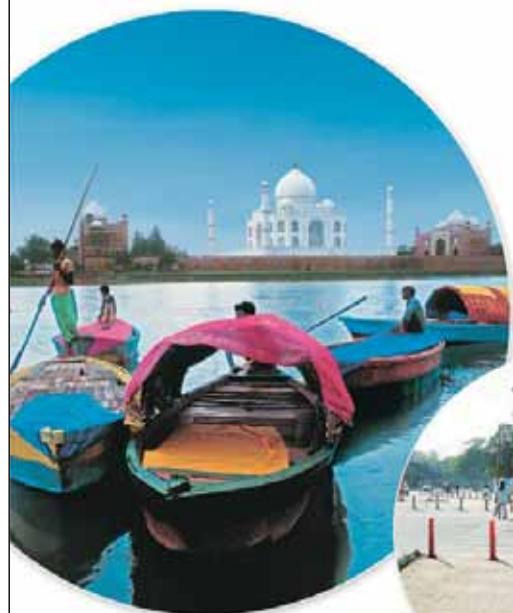
# TRANSED 2012

September 17-21, 2012

Svayam is proud to host TRANSED 2012, the 13th International Conference on Mobility and Transport in New Delhi in association with the Delhi Government and supported by the Ministry of Tourism - Government of India.

The TRANSED conference is designed to review advances in research and development with respect to the mobility challenges faced by people with disabilities and an ageing population. It also aims to examine ways to improving their mobility and transportation needs.

Svayam is hopeful that TRANSED 2012 will go a long way in bringing about a positive change and empathy towards the mobility needs of all, especially the elderly and the disabled.





**JINDAL SAW LTD.**  
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**Directors**

Smt. Savitri Devi Jindal	Chairperson
Sh. P. R. Jindal	Vice Chairman
Sh. Indresh Batra	Managing Director
Ms. Sminu Jindal	Managing Director
Sh. Devi Dayal	Director
Dr. S. K. Gupta	Director
Sh. Kuldeep Bhargava	Director
Dr. Raj Kamal Agarwal	Director
Sh. Ravinder Nath Leekha	Director
Sh. H. S. Chaudhary	Whole Time Director

**Company  
Secretary**

Sh. Sunil Jain

**Bankers**

State Bank of Patiala  
State Bank of India  
Punjab National Bank  
Canara Bank  
Axis Bank Ltd.  
Calyon Bank  
HDFC Bank Ltd.  
ICICI Bank Ltd.  
Indiabank Ltd.  
Standard Chartered Bank  
State Bank of Mysore  
State Bank of Travancore  
Syndicate Bank  
United Bank of India

**Statutory  
Auditors**

M/s N. C. Aggarwal & Co.  
Chartered Accountants

**Internal  
Auditors**

M/s Singhi & Co.  
Chartered Accountants  
M/s T. R. Chaudhary & Co.  
Chartered Accountants

**Regd. Office**

A1, UPSIDC Industrial Area,  
NanEGAon Road, Kosi Kalan  
District Mathura, 281403 (U.P.)

**Corporate  
Office**

Jindal Centre,  
12, Bhikaji Cama Place,  
New Delhi - 110066



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## MESSAGE FROM THE VICE CHAIRMAN

Mr. P. R. Jindal

Dear Shareholders

We at Jindal SAW have been striving relentlessly this past year to take our business closer to the markets with high demands. The company intends to establish itself as a global player in the Ductile Iron Pipe segment. In this direction, in August it has executed a Business Lease Agreement with Sertubi SPA, Italy to operate their Ductile Iron manufacturing plant in Trieste, Italy. The Middle East too has seen a lot of activity in the recent past which reinforces our continued market leader position yet again. On the domestic front commissioning of Bhilwara Mines in Rajasthan is expected to play a crucial role in cost advantage that will have a positive impact on the financials.

Inflation represents the new global economic challenge, leading to a spiraling rise in prices of commodities, mineral resources and energy. The industry world over has been impacted by the unprecedented increase in the price of iron ore and coking coal.



Reflecting on the performance of the company, we expect that increase in coking coal prices will affect the profitability of Ductile Iron pipe in the short term. To counter the impact of issues like price volatility and the availability of major raw materials, we are working hard towards cost control, improvement in operational efficiency and effective utilization of resources.

The challenges that remain to be tackled deftly are price volatility, availability of major raw materials, higher petroleum costs and increasing financing costs. We are constantly monitoring various parameters to ensure minimizing the adverse effects by improving the operational efficiencies, effective utilization of resources thereby bringing down the overall costs.

Unwavering conviction in the dictum, 'I Transform the Future', Jindal ITF the infrastructure arm of the Jindal SAW is the driving impetus behind development of sustainable urban infrastructure service businesses that match global standards. In keeping with the Jindal tradition Jindal ITF is fast laying new benchmarks for the other few in the field and opening new business potentials in areas like efficient water management solutions, creating useful resources like energy, compost etc from urban solid waste management, coastal and inland water transport and rail wagon manufacturing. Deploying environmentally sound and smart moves, today Jindal ITF is creating value and investing in protecting the natural resources for future generations.

NTPC awarded the largest coal movement contract where JTF Vector will be bringing innovative logistic solutions for coal movement along the eastern coast through inland waterways of the river Ganges. To achieve highest standards of efficiency trans-shipper, barges and terminal facility at Farakka will be pressed into service.

It gives me great pleasure to share with you that Jindal Ecopolis has bagged two major integrated municipal solid waste processing projects in Punjab and has invested in the largest waste to energy facility in India at Okhla, New Delhi which

is expected to become operational by 2011. We are aggressively pursuing similar opportunities in other parts of the country as well.

Meeting every challenge head on, Jindal SAW has been able to distinguish itself in its service to its clients and allied communities. We consider ourselves as a one big family which thrives on value creation.

Regardless of the course corrections required to realize our ambitions, our commitment to how we do business is not subject to revision or reconsideration. Our values unite us and they also differentiate us. Our values have sustained the loyalty of generations of customers and are a powerful source of inspiration for thousands of talented employees, suppliers and dealers. We therefore reaffirm our dedication to the company's values – integrity, quality and commitment – in order to move ahead wherever we do business.

The company believes in attaining larger societal objectives through its unique social responsibility initiative-Svayam that is working towards making the public infrastructure accessible to all including the elderly and the disabled. The enabling infrastructure thus created lays strong foundations for an inclusive and equitable access to all resources-social, cultural and economic. In pursuance of this objective we at Jindal SAW are proud to support the 13th International Conference on Mobility and Transport for the Elderly and the Disabled Persons (TRANSED 2012, India) that Svayam has been instrumental in bringing and hosting in India.

I would like to take this opportunity to thank each one of you for your continued faith and trust that you have reposed in us and we will do everything to retain your valued support.

Jai Hind!

P.R.Jindal



JINDAL SAW LTD.  
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**TOTAL PIPE SOLUTIONS  
AND BEYOND**



## Directors' Report

To

The Members,

Your Directors are pleased to present the 26th Annual Report and Audited Statement of Accounts of the Company for the year ended 31st March, 2011.

### I. FINANCIAL RESULTS

Particulars	Current Year Ended 31st March, 2011 (12 Months) Rs. in crores	Previous Period Ended 31st March, 2010 (15 Months) Rs. in crores
Gross Sales & Income from Operations	4,345.26	6,974.81
Profit before Interest and Depreciation	861.19	1,283.36
Less:		
- Interest	119.07	184.18
- Depreciation	136.66	131.27
Profit before tax	605.46	967.91
Provision for Income Tax and Wealth Tax	141.39	244.74
Net Profit After tax	464.07	723.17
Debenture Redemption Reserve Written Back	-	18.75
Previous Period Adjustments	(2.51)	7.18
Foreign Exchange Translation Difference	0.01	0.07
Surplus brought forward on amalgamation	-	3.49
Add: Balance brought forward from Previous Period	219.12	218.17
Total amount available for appropriation	680.69	970.83
Less : Appropriations :		
(a) Transfer to General Reserve	400.00	700.00
(b) Interim dividend on Preference shares paid	3.57	9.44
(c) Corporate Tax on above	0.59	1.61
(d) Proposed dividend on Preference Shares	-	0.34
(e) Proposed dividend on Equity Shares	27.62	34.53
(f) Corporate Tax on dividend	4.49	5.79
(g) Capital Redemption Reserve	100.00	-
Balance carried to Balance Sheet	144.42	219.12

### 2. REVIEW OF OPERATIONS

#### Review of operations of the Company ;

The accounting year 2010-11 ended as on March 31, 2011 reflects the operations of 12 months period as against 15 months during the previous period which ended as on March 31, 2010.

The slowdown in the pipe demand, increase in competition and higher input prices affected the operations of the Company during the year under review. The Company witnessed lower volumes of production and sales which led to lower turnover and profits after tax. However, the Company was able to maintain the operating profits per metric ton, to a large extent.

The turnover of Rs 4,345.26 crores during 2010-11 was lower by approx. 22% as against 2009-10, on pro-rata basis. Similarly the profit after tax was also lower by almost 20%

on prorata basis. The profit after tax was at 10.68 % during 2010-11 as against 10.37 % in 2009-10.

#### New Projects / Note on working and review of subsidiaries including JV and Associate Companies ;

Your company is in the process of executing projects in India and overseas. In India, the Ductile Iron Pipe facility with 200,000 MTPA capacities should be ready for operations towards the end of Financial Year 2011-12.

During the year your Company executed Mine Lease Agreement with the Government of Rajasthan for iron ore mines in Bhilwara Distt. The Company has initiated steps to commercially exploit the Iron Ore Mines as per the policy prevalent in this regard.

Your Company is executing a Ductile Iron Pipe facility in United Arab Emirates. The facility is expected to commence operations in the year 2012 in phased manner.



## Directors' Report

### Jindal ITF Limited

In 2008, your Company set up 100% subsidiary, Jindal ITF(JITF) Limited, which operates in four broad segments, Water Infrastructure, Urban Solid Waste Management, Coastal Shipping and Fabrication of Railway wagons. All the businesses are in growing/ implementation stage and will take some time to scale up. JITF has also signed a Tripartite Agreement for transportation of coal from east coast of India to NTPC's 2100 MW power plant located at Farakka, District Murshidabad, West Bengal through inland waterways.

**JITF Water Infrastructure Limited (JWIL)** provides infrastructure for solid waste and potable water, targeting EPC, BOOT (Build-Own-Operate-Transfer) and OEM projects. JWIL is implementing one of the most prestigious projects in water sector for Naya Raipur development authority on BOT basis.

**JITF Waterways Infrastructure Limited (JWWL)** was incorporated to carry business activities in the coastal shipping as well as in the inland waterways sector. Currently JWWL owns seven cargo ships and one barge with a total capacity of Approx. 45000 DWT .

**JITF Urban Infrastructure Limited (JUIL)** provides infrastructure for solid waste management. JUIL is implementing a municipal solid waste-to-power project in Delhi, which is planned to commence operations in 2012. This is the first project of this nature and magnitude in India. The project also fetches good quantity of Certificated Emission Reduction. Apart from Delhi waste to power project, Company is awarded 3 solid waste management projects in Punjab.

Jindal ITF received Frost and Sullivan award for "Waste to Energy Deal of the Year" for the Year 2010 in the Municipal Waste to Energy Segment in lieu of the Delhi project.

**Jindal Rail Infrastructure Limited (JRIL)** is currently setting up a wagon manufacturing facility at Karjan in Gujarat, with an installed capacity of 3000 Wagon. The project is under advance stage of completion and will commence operations in financial year 2012.

### Other Subsidiaries/ Joint ventures/ Affiliates

**IUP Jindal Metal & Alloys Limited,** (IUP Jindal) manufactures stainless steel and nickel alloy precision foils at IUP-Jindal.

Your company has few subsidiaries and affiliates which are in the nature of special purpose vehicles. In subsequent periods, your Company may have operations / marketing activities through these vehicles.

### 3. DIVIDEND

The Board has, subject to the approval of Members at the ensuing annual general meeting, recommended a dividend of Rupee 1/- per equity share of Rs. 2/- for the year ended 31st March, 2011.

The Board's recommendation for a stable and steady dividend is linked to Company's long term requirements of funds for meeting the working capital needs, capital expenditures for

its growth plans & modernization and to finance such plans by retaining back the profits.

Together with the corporate tax on dividend, the total outflow on account of equity dividend is Rs. 32.11 crores.

### 4. REDEMPTION OF FCCB/ PREFERENCE SHARE CAPITAL

Foreign Currency Convertible Bond (FCCB) holders holding Bonds for aggregate amount of JPY 5896800000 had an option to convert the same upto 24.06.2011 into equity shares of Rs. 2/- each at conversion price of Rs.135/- per equity share with a fixed rate of exchange on conversion of JPY 2.533=Re.1.00 (after adjustment as per terms & conditions of issue of Bonds). Since the option to convert the Bonds was not exercised, these Bonds have since been redeemed fully on June 29, 2011. Presently, there are no outstanding options on un-issued share capital.

Preference Shares aggregating upto Rs. 100 crores have been redeemed during the year.

### 5. DEMERGER OF INVESTMENT DIVISION

The confirmation petition to sanction the Scheme of Arrangement and Demerger proposing to demerge Investment Undertaking of the Company w.e.f. 1st January, 2011 (Appointed Date) to Hexa Tradex Ltd. is pending before Hon'ble High Court of Judicature at Allahabad.

### 6. MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE

A separate report on Management Discussion and Analysis is enclosed as a part of the Annual Report.

Another report provides information / status on the Corporate Governance.

### 7. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed by the Board of Directors:

- a. that in the preparation of the annual accounts for the financial year ended 31st March, 2011, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- c. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the Directors had prepared the accounts for the financial year ended 31st March, 2011 on a 'going concern' basis.



## Directors' Report

### 8. DIRECTORS

Shri P. R. Jindal and Shri Devi Dayal retire by rotation and, being eligible, offer themselves for re-appointment.

Ms. Sminu Jindal has been re-appointed as Managing Director for a further period of 5 years w.e.f. 1st February, 2011 by the Board of Directors subject to approval of the shareholders.

Shri. A. J. A. Tauro, an Independent Director, resigned from of the Company w.e.f. 12th May, 2011 due to his ill health and old age. Mr. A. J. A. Tauro was also Chairman of Audit Committee and has been associated with the Company since 1996. The Board places on record its appreciation for the guidance and support given by him to the Company during his tenure as a Director of the Company.

The Board of Directors has appointed Shri Ravinder Nath Leekha as an additional director in their meeting held on 12th August, 2011. As per the provisions of section 260 of the Companies Act, 1956 he holds office upto the conclusion of ensuring annual general meeting. The Company has received a notice under section 257 of the Companies Act, 1956 from a shareholder proposing his candidature to the office of Director of the Company.

### 9. AUDITORS & THEIR REPORT

M/s N. C. Aggarwal & Co., Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting, and, being eligible, offer themselves for re-appointment.

Auditors' remarks in their report read with the notes to accounts referred to by them are self-explanatory.

### 10. COST AUDIT

Pursuant to Section 233 B of the Companies Act, 1956, the Board, subject to the approval of Central Government, has appointed M/s. R. J. Goel & Co., Cost Accountants in place of Mr. S. N. Balasubramanian, Cost Accountant, to audit the Cost Accounts relating to manufacture of steel tubes and pipes for the year ended 31st March, 2011.

The Board, subject to the approval of Central Government, has also appointed M/s. R. J. Goel & Co., Cost Accountants to audit the Cost Accounts relating to manufacture of steel tubes and pipes for the year ending 31st March, 2012.

### 11. PUBLIC DEPOSITS

The Company had repaid the deposits matured during the

year except unclaimed deposits aggregating Rs. 1.17 crore at the end of the year.

### 12. PARTICULARS REGARDING CONSERVATION OF ENERGY, ETC.

Information in accordance with the provision of Section 217(1)(e) of Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the statement annexed hereto.

### 13. SUBSIDIARY COMPANIES

The prescribed particulars relating to subsidiaries are being provided in this Annual Report. However, pursuant to circular No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs the Balance Sheet and Profit & Loss Accounts of the subsidiaries are not attached herewith. However, members, if they desire, may write to the Company Secretary at Jindal Centre, 12, Bhikaji Cama Place, New Delhi - 110 066 to obtain the copy of the Annual Reports of any of the subsidiary companies.

### 14. PERSONNEL

The industrial relations remained cordial throughout the year. As required by the provision of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in Annexure to this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and the Accounts are being sent to all members of the Company excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at Jindal Centre, 12, Bhikaji Cama Place, New Delhi - 110 066.

### 15. ACKNOWLEDGEMENT

Your Directors express their grateful appreciation to concerned Departments of Central / State Governments, Financial Institutions & Bankers, Customers and Vendors for their continued assistance and co-operation. The Directors also wish to place on record their deep sense of appreciation for the committed services of the employees at all levels. We are also grateful for the confidence and faith that you have reposed in the Company as its member.

For and on behalf of the Board

SMINU JINDAL  
Managing Director

H.S. CHAUDHARY  
Wholetime Director

Place : New Delhi  
Date : 12th August, 2011



## Directors' Report

### ANNEXURE TO THE DIRECTORS' REPORT

#### ANNEXURE I

#### PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURES OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

##### CONSERVATION OF ENERGY:

###### (a) ENERGY CONSERVATION MEASURES TAKEN:

1. Introduction of RTFC panel at Nashik Plant resulted in increased power factor above 0.995% and thereby consistently getting about 7% rebate on our electricity power bill.
2. Use of coal gas at Rotary Hearth Furnace has reduced the fuel cost.
3. Installed AC Drive in PCI Coal Mill Motor in BF Plant, resulting in saving of Electrical Power of approx. 400 KWH per/day and Saving of approx. Rs. 6 lacs per month.
4. DISP Mechanical Utility team modified the Pump Impeller of DISP & SDPP Pump House (All pump impeller trimmed), which resulted in Electrical power saving of approx. 2,89,000 KWH per month and Saving of approx. Rs. 16 lacs per month.
5. AC Drives installed in place of DC Drives on Auto Mig to avoid breakdown.
6. Old capacitor have been changed with new capacitors to improve power factor.
7. New X-Ray Machine, make -XYLON, installed in place of old X-Ray machine, to reduce break downs time & smooth operation.
8. Laser seam tracking system with head installed on OD #1,2,3 & Mig welding which give better quality

of welding and reduced breakdown time

9. New FUT System, DUT 31, Make -EEC with head installed on FUT which gives better quality of welding and reduced the breakdown time.
10. We have implemented & installed the AC drive panel to reduce the power consumption and modified the wiring system to reduces cable losses & increase life of cable. Installation of Ac drive & Energy saver LED light resulted in saving of approx 96000 unit and Rs. 6 lacs per annum.

###### (b) ADDITIONAL INVESTMENT AND PROPOSAL FOR REDUCTION OF CONSUMPTION OF ENERGY :

1. Installation of 110KW VFD for compressor motor in JCO-3.
2. Installation of 30KW VFD with panel & accessories for 25 HP hoist motor in Dust Collector blower in S/B unit.
3. Replacement of 63KW DC motor with AC motor in Adhesive Extruder.
4. Installation of 30KW VFD with panel for 40 HP hoist motor in EOT cranes.

###### (c) IMPACT OF ABOVE MEASURES :

The continued focus on energy conservation measures have resulted improvement in power factor & saving in energy consumption.

### FORM "A"

#### Form for disclosure of particulars with respect to Conservation of Energy POWER & FUEL CONSUMPTION

##### (I) Electricity :

- Purchased Units ( in crores)  
Total Amount (Rs. in crores)  
Rate Per Unit ( Rs. )

##### (II) Own Generation

- (a) Through (WHRPP) Power Plant/ Wind Power Plant  
Units (in crores)  
Total Amount (Rs. In crores)  
Rate per Unit (Rs.)
- (b) Through D.G. Set  
Generated Units (in crores)  
Unit per Liter of Oil  
Cost Per Unit (Rs.)

#### CONSUMPTION PER UNIT OF PRODUCTION

Production : Saw Pipes, Seamless, Ductile Iron Pipes

Electricity for Manufacture of Iron & Steel Pipes / Product (MT)

Current Year Ended <b>31st March, 2011 (12 months)</b>	Previous Period Ended <b>31st March, 2010 (15 months)</b>
13.28	14.20
81.95	84.45
6.17	5.95
9.38	9.34
14.25	10.77
1.52	1.15
2.14	2.78
3.45	3.45
9.92	9.07
<b>308.83</b>	223.12



## Directors' Report

### FORM " B"

#### Form for disclosure of particulars with respect to Technology Absorption for 2010-2011

1. Specific areas in which Research & Development carried out by the Company.
2. Benefits Derived
3. Future Plan of Action
4. Expenditure of R & D

The company has embedded R&D activities into its manufacturing process which is continuous activity. The constant efforts are made to improve production efficiency, maximizing revenue and minimizing expenditure and impact on environment. The benefits of ongoing continuous R&D as embedded in the manufacturing process are derived by achieving the desired results. Since this is inbuilt and continuous process, no specific expenditure has been allocated under the head "Expenditure on R & D"

5. Technology absorption, adaptation and innovation

- A. Efforts made, in brief, towards technological absorption, adaptation and innovation
  - i. Product like 13% Chrome & Bearing steel tubes are in progress.
  - ii. We have put upsetting plant to widen our product range & coupling plant for self reliance thereby cutting down the outsourcing cost to minimum.
  - iii. New Piercing Mill with higher capacity is ordered which will increase our existing capacity more than 1.5 times.
  - iv. New Cold Mill project is kick off to augment the existing plant performance.

- B. Benefits derived as a result of the above efforts

The above efforts will improve the operational efficiency, low fuel consumption, minimize wastage and contribute towards better environment.

6. Foreign Exchange

(Rs. in Crores)

Current Year Ended 31st March, 2011 (12 months)	Previous Period Ended 31st March, 2010 (15 months)
1,587.84	2,595.38
2,375.17	2,706.08

- a) Earning
- b) Used



## Management Discussions and Analysis

### Overview

We are a leading Indian and most diversified manufacturer and supplier of pipe products for the energy and water industry and for other industrial applications. Our customers include most of the world's leading oil and gas companies, municipal corporations as well as engineering companies engaged in constructing oil and gas gathering, water transportation system, power and automobiles facilities. Our principal products include (a) large diameter SAW pipes (LSAW and HSAW), (b) seamless pipes & tubes, and (c) ductile iron (DI) pipes. Our manufacturing facilities are located in various parts in western, northern and southern part of India. Our Indian production facilities produce pipes to meet global specifications and standards. We sell appox. 50% of our products (primarily large diameter Saw Pipes and seamless tubes) in global markets. We are setting up a drill pipe facility in Texas, USA which shall be operational very soon. This will add value to our seamless tube vertical and help in improving the sales and profitability.

In DI Pipe segment, so far we were focussed on the growing domestic market. However, we now intend to have presence in global market space as well. To achieve the same, following steps have been taken: (a) setting up a DI pipe plant in India with focus on export markets; (b) setting up a state -of- the -art DI pipe plant in Abu Dhabi (UAE) primarily for MENA region and West Asia and (c) executed a business lease transcation with an Italian (Europe) DI Pipe producer for operations and sales in Europe and other markets.

We have also executed a Mines Lease Agreement with Government of Rajasthan in relation to Iron Ore Mines, in Bhilwara District. To commercially exploit the same, the Company is in the process of setting up necessary infrastructure including the beneficiation plant which is expected to be operational in next few months' time. The availability of Iron Ore from the captive mine would reduce the dependence on the outside sourcing and will improve the profitability of the Company. The Company's efforts in the Iron Ore Vertical shall create jobs in the State of Rajasthan and accrue benefits to the exchequer.

### Pipe Industry Dynamics

The oil & gas companies are the largest consumers of steel pipes that are used for both oil & gas exploration and transportation purposes. Hence, demand from the global oil & gas sector is a major driver of growth for this industry. Other key economic drivers for the steel pipe industry include water & sewage infrastructure, power, automobile and general engineering industries.

Whereas the demand for seamless pipes is primarily driven by exploration activity in petroleum producing countries, the demand for welded pipes is mainly driven by oil and natural

gas transportation activity in petroleum exporting and key consumer countries. Ductile Iron pipes demand is driven by spend on water and sewage infrastructure as they are mainly used in transportation of water and sewage.

In India, so far, roadways and railways have been a more prevalent means of transporting petroleum products than through pipelines. In contrast, developed countries generally have higher pipeline infrastructure density and greater reliance on complex pipeline networks to distribute energy resources.

The pipeline infrastructure in India has been poor despite it being more eco-friendly, safe and cost-effective mode of transportation

### Demand Drivers for SAW pipe segment

The construction of pipeline infrastructure in India has seen a major spurt in the last few years as the spending on exploration and production has increased. The strategy of enhancing domestic exploration & production (E&P) through New Exploration & Licensing Policy (NELP) has resulted in major investment in the exploration of oil and gas reserves in the country. The commencement of production of natural gas from Reliance Industries Limited's Krishna Godavari (KG) fields and commencement of production of crude oil from Cairn India Limited's field in Rajasthan are major achievements of this Policy.

This along with the changing energy map towards increasing natural gas usage is likely to give an impetus to the demand for pipeline network expansion. Though natural gas forms only 9% of India's energy basket currently as compared to the global average of 24%, this share is expected to go up with more gas being made available in Indian markets. In order to ensure availability of natural gas for various domestic and commercial segments, a cross-country gas network as well as new City Gas Distribution (CGD) projects are being planned for transportation of natural gas within the country. Players such as GAIL, GSPL, ONGC, Cairn Energy and Reliance have proposed to invest in building additional pipelines spanning around 25,000 kms in the medium to long term.

In the international markets, the business potential for the pipes segment in the oil & gas transportation space is estimated to be around USD 69 billion (as per market study done by Simdex). This will be mainly driven by:

- \* Replacement of the old pipelines in US & Middle East. As per estimates from American Gas Association, close to 500,000 km of oil and gas pipeline was laid in the US during the 1960s. Since, the useful life of pipelines ranges from 30 to 50 years, replacement for old pipelines is expected to generate substantial demand for welded pipes.



## Management Discussions and Analysis

- \* New Gas is required to replace annual decline in existing gas supplies in North America, which shall enhance demand for new pipelines
- \* Shale Gas gradually increase its share in total gas requirement in US
- \* Alaska Pipeline project -another boost to the demand for pipes

### Demand Drivers for DI segment

Likewise, the present low penetration level of water supply in India and the goal of supplying water to the most remote villages and the development of water supply and sewerage systems should continue to generate demand for pipes in the water sector. The demand for water pipelines is expected to grow at 15-20% annually for the next several years on account of higher budgetary allocation towards water and sewage and easy availability of funds through World Bank and ADB for such projects.

In India, water supply requirements are mainly met through monsoons, the occurrence of which is highly unpredictable and unevenly spread across the country. This results in the need for significant investment in water infrastructure for conservation and re-use of the vital water resource and for proper sanitation facilities. Some of the common problems faced in water infrastructure systems have been:

- \* Non-uniform distribution of water;
- \* Contamination;
- \* Leakages; and
- \* Short life span of equipment

Currently, 10% of the global population does not have access to water supply. In India, 25% of rural population and 9% urban population do not have access to water supply. (Source: Census 2001 and Eleventh Five Year Plan, Planning Commission)

India faces challenges in the water sector in the form of declining per capita availability of water, over-exploitation of ground water resources leading to lowering of ground water table in certain pockets, deterioration in the water quality, cost and time over-runs in the completion of irrigation & multi-purpose projects and poor maintenance of the existing systems. Of course, the most important challenge is to appropriately address the natural disasters related to water i.e. flood and drought. As a result of growing population, the per capita water availability of India is declining every year.

Govt. of India has launched Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) to develop water supply and sanitation in the urban areas.

JNNURM is envisaged for implementation over 7 years period starting from 2005 to 2012 with a tentative out lay of Rs.1,00,000 crore, which includes contribution of Rs.50,000 crore to be made by the States. Water supply and sanitation is accorded priority under the programme and is likely to receive 40% of plan funds. The 10th Five Year Plan provides Rs. 621 bn for water supply and sanitation, which is at all time high.

The total outlays in the Eleventh Five Year Plan (2008-12) for Rural Water Supply and Sanitation sector would be close to Rs. 100,000 crore. The total outlay for Urban Water Supply and Sanitation sector would be Rs. 75,000 crore. (Source: Planning commission, Government of India). However, the results achieved so far under the various government schemes have not been commensurate with the huge investments made and, as a result, water scarcity still persists.

This provides a significant business opportunity for usage of more sustainable and efficient modes of water transportation in India such as DI pipes to combat various problems.

### Demand Drivers for Seamless Pipes & Tubes

Demand for seamless pipes & tube is driven by oil and gas exploration drilling (OCTG), and applications like boilers, autos and other industrial segments. It is expected that, global seamless pipe demand will increase gradually. Demand should be driven by US shale gas drilling, the start of previously shelved/deferred upstream projects and an improvement in the global economy.

The increase/decrease of the rig counts is a reasonable indicator and important business barometer for the drilling industry and also for the demand of the seamless pipes. As per Baker Hughes, the average rig counts for the world for 2009 was 2304 which increased to 2985 in 2010 and the average for January 2011 to July 2011, the same stands at 3328. This reflects a consistent improvement in rig counts which should have a positive impact of the demand of the seamless pipes.

### Jindal Saw Limited - Operations and strategy

Jindal Saw currently carries out its business in two distinct undertakings including (a) Pipe manufacturing business undertaking and (b) Investment business undertaking. Both the activities are distinct and diverse in their business characteristics, growth trajectories, risk profiles and require entirely different approaches.

#### Pipe manufacturing business undertaking

Jindal Saw Limited is the most diversified Indian pipe Company with capacity that caters for oil and gas utility companies (SAW pipes), exploratory drilling and industrial capex-related industries (seamless pipes), and water infrastructure (DI pipes). The Company follows a strategy to de-risk its business model by



## Management Discussions and Analysis

way of horizontal expansion as well as by diversifying in the high value added business areas. Company' initiative in iron ore mining would not only provide a stable source of iron ore for its DI pipe making facilities in India but the value addition is expected to boost its profitability, in the time to come.

The Company believes that a right blend of sales in domestic and global markets with low cost of operations would improve the credit quality and provide superior returns to its shareholders. The Company is also mindful of short to medium term market challenges and thus intends to create a model for long term sustainability.

### Jindal Saw- strategic vision

#### The Company' strategic vision includes:

- \* Focus on manufacturing higher-growth and higher-margin products (seamless pipes, especially OCTG).
- \* Enhancing seamless and welded pipe product mix to increase product margins and revenues per tonne.
- \* Expanding seamless pipe production by investing in technologically advanced production processes.
- \* Increasing output of large-diameter welded pipes for the oil and gas industry.
- \* Positioning the Company as a global producer and supplier of DI Pipes by having capacities in various parts of the world and through strategic alliances.
- \* Capitalize on Iron Ore mines for long term sustainable benefits while complying to all the regulations

### Jindal Saw - Competitive Strengths

#### The Company's main competitive strengths include:

- a) its multi-location and primarily port based production facilities;
- b) its most diversified product range;
- c) its solid and diversified customer base and historic relationships with major international oil and gas companies around the world;
- d) its proximity to customers;
- e) its human resources;
- f) its low-cost operations, primarily at state-of-the art, strategically located production facilities with favourable access to raw materials, energy and labour, and 26 years of operating experience; and

- g) its strong financial condition.

### Business Outlook

Demand for energy, particularly natural gas with low emission of CO<sub>2</sub>, is expected to increase in the medium to long-term; in line with economic growth in emerging countries. Energy development projects are becoming severer, with more vigorous product requirements to withstand depth, high pressure, and corrosive environments. Given this trend, customers are demanding higher performance and reliability of pipes. Jindal Saw has, consistently, made efforts to improve the production facilities and processes to match with global standards. The Company has invested in technology and high efficient processes in all the segments.

Given the global economic scenarios and uncertainties in the financial and economic conditions of major part of the world, the new demand of the tubular products especially from the developed world is expected to remain volatile. However, the demand of tubular products, in the medium to long term, is likely to remain supported as heavy investments are being made by the operators in shale and other natural gas developments.

The demand for DI Pipes remains stronger in the domestic markets. However significant increase in the competition in Indian market and the increase in the input prices has kept pressure on the revenues and profitability. The Company, besides focussing on the domestic market, is now targeting the global markets. These efforts are likely to make the Company one of the largest global DI pipe players. The Company expect gradual improvements in its profitability in DI pipe segments. The commencement of operations in Iron ore vertical shall give additional boost to the DI pipe segment.

### Investment business undertaking

The Company is also engaged in investment business by way of making investments in shares & other securities as well as other financing activities of group companies and strategic investments in new ventures. These activities are carried out directly and/or through its NBFC Subsidiary.

During the year, the Company had initiated the process of demerger of its Investment Undertaking. The Board of Directors approved the de-merger of the Investment Undertaking. Pursuant to this, a Scheme of Arrangement and Demerger (Scheme) proposing to demerge the Investment Undertaking of the Company into wholly-owned subsidiary Company, namely Hexa Tradex Ltd (HTL) was filed with the Hon'ble High Court of Judicature at Allahabad (High Court). As per the order of the High Court, the separate meetings of equity shareholders, secured and unsecured creditors of the Company were



## Management Discussions and Analysis

convened for the approval of the Scheme by them. After their approval, a petition for confirmation of the Scheme was filed with the High Court which is presently pending.

As per the said Scheme, with effect from the Appointed Date i.e. 1st January, 2011, the Investment Undertaking shall stand transferred to and vested in HTL on a going concern basis without any further act, deed or matter and in compliance with the provisions of section 2(19AA) of the Income-tax Act 1961, pursuant to the provisions contained in Sections 391 to 394 and other applicable provisions of the Companies Act 1956. Since Scheme is pending before the High Court for confirmation, the effect of the Scheme has not been given in the financial results for the year ended 31st March, 2011.

Once the Scheme is made effective, HTL will issue and allot to the equity shareholders of the Company 1 equity share of face value of Rs. 2/- (credited as fully paid-up) for every 5 fully paid-up equity shares of Rs. 2/- each held by them in the Company as on the record date. The shares so allotted will be listed on NSE and BSE.

### Jindal ITF - Nurturing the future

Through its wholly owned subsidiary, Jindal ITF Limited, the Company has ventured into businesses like water and waste water management, urban waste management, coastal and inland water transport and rail wagon manufacturing. Jindal ITF is the driving impetus behind development of sustainable infrastructure that matches global standards. Having been involved in laying a strong foundation for a secure and sustainable future, Jindal ITF adds economic and social value to the Indian as well as the global economy. Considering the extent of urbanization and expected growth in Indian economy, the management is focusing on urban utility services. Therefore to meet the targets Jindal ITF is working towards strengthening the team for market segments and territories. Jindal ITF bagged three major municipal solid waste processing projects in Punjab and has invested in the largest waste to energy facility in India at Okhla, New Delhi which is expected to commission in 2011. Jindal ITF received Frost and Sullivan award for "Waste to Energy Deal of the Year" for Year 2010 in the Municipal Waste to Energy Segment in lieu of this project. Jindal ITF is eyeing similar opportunities in other parts of the country as well. The revenues have started flowing for Jindal ITF businesses and it is poised for exponential growth.

In an effort to become foremost urban utility partner, Jindal ITF aims on taking significant initiatives to improve cost competitiveness, diversify into new geographies and introduce new business. Some of the key initiatives taken up in this regard are:

- \* Focus on Process Excellence initiatives to strengthen Proposals, Engineering and project Execution and Contract management teams.
- \* Acquiring Pre Qualifications for water management projects

by setting up a Joint Venture with Kobelco Eco Solution, Japan.

- \* Setting up an environment friendly state of the art manufacturing facility of railway wagons at Vadodara District in Gujarat
- \* Entering into a strategic agreement with NTPC for creating and operating the infrastructure for transportation of Coal through inland waterways for its power plants.
- \* Setting up of Corporate Centre of Excellence and SAP implementation for Jindal ITF businesses will be the key areas of focus to achieve competitive advantage.

### Risk Factors - Jindal Saw Limited

The Company faces certain risks associated to its business and the industry in which it operates. It is a steel pipe manufacturer with a strong focus on manufacturing products for the oil, gas and water industry. Demand for SAW Pipes depends primarily on the level of exploration, development and production activities of oil and gas companies which is affected by current and expected future prices of oil and natural gas. Several factors, such as the supply and demand for oil and gas, and political and global economic conditions, affect these prices. Demand for DI pipes depends on the investments by municipal corporations for creating water transmission network which can get affected due to allocation of funds by the respective agencies.

### The key risks are:

- \* Economic slowdown to effect the order book position of the Company in the interim period. This may have an effect on the capacity utilization, sales and profitability of the Company. However the global demand outlook for SAW pipes (for oil & gas transportation) appears positive over the next five years. Demand recovery for seamless pipes (drilling and industrial capex) should be more gradual, and ductile iron (DI) demand will continue to benefit from high water infrastructure investments.
- \* Increased competition in all the segments from other players. However, the Company believes that competition is healthy for the industry and to mitigate this risk it remains committed for its sustained efforts for optimization of resources, cost control and expanding the markets.
- \* Company's exposure in Foreign exchange may have an effect on the financials of the Company. The Company is currently exposed to certain foreign exchange derivative transaction with a negative mark to market position. The Company is proactively managing the position on regular basis and now follows a policy to meet its requirements.
- \* Raw Material availability and high volatility in prices may affect the pricing and profitability.



## Management Discussions and Analysis

### FINANCIAL AND PRODUCT WISE PERFORMANCE

The highlight of the operations for accounting year ended 31st March 2011 (12 Months) and period ended 31st March 2010 (15 months) are as under:

Particulars	Accounting period ended (Rs in Crores)		Change (%)
	31.03.2011 (12 Months)	31.03.2010 (15 Months)	
Gross Sales & Income from operations	4,345.26	6,974.81	(22%)
Profit before Interest and Depreciation	861.19	1,283.36	(16%)
- Finance Expenses	119.07	184.18	(19%)
- Depreciation	136.66	131.27	30%
Profit before Tax	605.46	967.91	(22%)
Provision for Tax	141.39	244.74	(28%)
Net profit after tax	464.07	723.17	(20%)

Major highlights are as under:

Company's Sales mix:

Product	Turnover (Rs. in Crores)		Growth (%)
	31.03.2011 (12 months)	31.03.2010 (15 months)	
Iron & Steel Pipes	3939.70	6,509.95	(24%)
Steel Plates/& Coils	2.24	0.26	977%
Pig Iron	-	14.63	
Others (including scrap)	161.80	173.37	17%

Iron & Steel pipes includes sale of L SAW pipes, H SAW Pipes, DI Pipes and Seamless Tubes. The Company continued to remain focused on the value added production and thus the production of Pig Iron is further reduced to Nil in 2011.

Other Financial Matters:

During the year:

- A) Company has not taken any additional long term loan. The value of the balance amount of FCCBs has changed due to the fluctuation in the respective foreign currencies as well of conversion of some of the convertible bonds in to equity. FCCBs have since been redeemed fully. During the year the Preference Shares aggregating to Rs. 100 Crores have also been redeemed.
- B) The liquidity position of the Company remained comfortable. However, the gross debt increased due to increase in net current assets which should reduce significantly in subsequent period.
- C) The overall earnings ratios have improved marginally.
- D) Net worth of the Company increased to Rs 4021.19 Crores as at March 31, 2011 as against Rs 3641.25 Crores as at March 31, 2010.

E) Gross fixed assets including Capital Work in Progress as at March 31, 2011 increased to Rs. 3002.78 Crores as against Rs. 2649.25 Crores as at March 31, 2010.

#### Internal Control and Their Adequacy

The Company has in place an adequate system of internal control. It timely evaluates the internal risk of the company and put the proper check through defined procedure and mechanism. The company has an established internal audit system to review, monitor the financial and operating performance/reporting and to protect from the unauthorized use/losses of the assets. The company has continued its best efforts to align all its process and controls with global practice.

#### Some of the significant features of the internal control system are:

Defined policies in accounting and major processes across the company for timely evaluation of the operating performance and devise corrective measures.

A well established Multi disciplinary Independent Internal Audit team of Singhi & Co, Chartered Accountants, reviews and report to management and the Audit Committee about the compliance with the internal control and the efficiency and effectiveness of operation.



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Opportunities identified during audits, for improving management control, business targets and profitability, Process efficiency and the organization's image, are communicated to the appropriate level of management.

State-of-the-art, Implementation of ERP system (SAP) across the function of the company for smooth and timely information system.

The Audit Committee review the financial statements, including the financial reporting system, compliance to accounting policies and procedures, the adequacy and effectiveness of the internal controls and systems followed by the Company. The Audit Committee's observations and suggestions were acted upon by the Management.

During the year Company used services of the global consultants for studies on supply chain management which included preview of existing practices and making suggestions to improvise the functioning of the Company in these areas. The internal control and audit department was involved and instrumental in facilitating the coordination of these initiatives throughout all locations of the Company in the country.

### Material Developments in Human resources/ Industrial Relations

The Company considers its human assets as one of the precious assets and firmly believe that its people are one of the biggest strengths & major driving force behind the success & growth of the company. With this belief, the organization reiterated its focus on encouraging investments in people through merit oriented pay revisions and differential pay reviews. Rewards & recognition coupled with retention of contributing and key skills / employees remained the edifice of the organization philosophy.

We have been able to attract, develop and retain talents in the organization by focusing on developing talent pool through lateral hiring, increased emphasize on learning & skill upgradation via in-house & external training, job rotations, multi skilling and inter unit developments in green & brown field projects. Critical skills identification, ramp up planning continues at the operating level. Cultivate talent factored in need for future skills resulting out of changes in technology or processes. Implementation of SAP has been a strong motivator during new learning and its implementation across the Company.

Continuous review of Policies / Practices with the view to making them contemporary & uniform in application is an ongoing process. Steps continue to be regularly initiated to improve processes at Unit levels for better control & productivity. Technology enabled ESS is in the process of introduction as a tool of process improvement & employee empowerment.

Upgradation of educational, medical, recreational, housing has helped a lot in improving quality of life and overall development. Where required, expertise is being collaborated in improving the quality of education at our Schools.

CSR development activities continue to be a focus on the belief that benefits percolate to the society in which we habitat and co-exist

With encouragement of workers participation in Management and open door Policy, cordial industrial relations prevailed across the Company. The Management places on record the contribution of employees during the year and their unstinted & wholehearted involvement in raising the bar and achieving continuous improved targets and productivity.



## Corporate Governance Report

### (I) COMPANY'S PHILOSOPHY

The Company's Philosophy on Corporate Governance envisages the attainment of highest level of transparency, accountability and equity in all facets of its operations and in all its interactions with its stakeholders including shareholders, employees, lenders and the Government. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value over a sustained period of time.

### (2) BOARD OF DIRECTORS

#### (i) COMPOSITION OF BOARD

The composition of Board of Directors during the year ended March 31, 2011, the details of their directorships, chairmanships/memberships of the Committees, the attendance record at Board Meetings/ AGM, details of remuneration paid to Directors and other details are given below:

Name of Director	Category of Director	No. of Directorships and Committee Memberships/Chairmanship in other companies		
		Directorship	Committee Membership	Committee Chairmanship
Smt. Savitri Devi Jindal Chairperson	Promoter - Non Executive	9	NIL	NIL
Shri P.R. Jindal Vice-Chairman	Promoter - Non Executive	14	1	NIL
Shri Indresh Batra Managing Director	Promoter - Executive	14	NIL	NIL
Ms. Sminu Jindal Managing Director	Promoter - Executive	12	NIL	NIL
Shri A. J. A. Tauro*	Independent - Non Executive	NIL	NIL	NIL
Shri Devi Dayal	Independent - Non Executive	3	NIL	NIL
Dr. S. K.Gupta	Independent - Non Executive	6	7	2
Shri Kuldip Bhargava	Independent - Non Executive	2	3	NIL
Dr. Raj Kamal Agarwal	Independent - Non Executive	3	NIL	NIL
Shri H. S. Chaudhary Whole-time Director	Executive	NIL	NIL	NIL

\* Shri A. J. A. Tauro has resigned from the Board w.e.f. 12.05.2011

Smt. Savitri Devi Jindal, Shri P.R. Jindal, Shri Indresh Batra and Ms. Sminu Jindal are related to each other in terms of definition of "relative" given under the Companies Act, 1956. None of the other Directors is related to each other.

#### (ii) BOARD MEETINGS AND ATTENDANCE RECORD OF EACH DIRECTOR

The Board of Directors met 4 times during the year ended 31st March, 2011. These meetings of the Board of Directors were held on 20.04.2010, 19.07.2010, 08.11.2010, and 31.01.2011. The attendance of each of the Directors including at last Annual General Meeting is as follows :-

Directors	No. of Board Meetings Attended	Attendance At The Last AGM
Smt Savitri Devi Jindal	1	No
Shri P.R.Jindal	3	No
Shri Indresh Batra	3	No
Ms. Sminu Jindal	4	No
Shri A.J.A.Tauro	2	No
Shri Devi Dayal	2	No
Dr. S.K.Gupta	4	No
Shri Kuldip Bhargava	3	Yes
Dr. Raj Kamal Agarwal	4	No
Shri H.S.Chaudhary	3	Yes

#### (iii) DETAILS OF REMUNERATION PAID TO DIRECTORS

##### (a) REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS

The Non-Executive Directors were paid sitting fees of Rs. 20,000/- for each meeting of the Board, Audit and Shareholders' Grievance Committee or other Committee(s) attended by them. During the period under review the Non-Executive Directors were paid the sitting fee as follows:-

S.No.	Name Of Director	Sitting Fee (Rs.)
1	Smt. Savitri Devi Jindal	20,000/-
2	Shri P.R.Jindal	60,000/-
3	Shri A.J.A.Tauro	80,000/-
4	Shri Devi Dayal	80,000/-
5	Dr. S. K. Gupta	80,000/-
6	Shri Kuldip Bhargava	1,20,000/-
7	Dr. Raj Kamal Agarwal	4,60,000/-



## Corporate Governance Report

- b) Shareholding of Non-Executive Directors in the Company as on 31st March, 2011 is as follows:

Name of Director	No. of equity shares of Rs 2/-each
Smt. Savitri Devi Jindal	1,03,800
Shri P.R. Jindal	98,700
Shri Kuldip Bhargava	8,000

- (c) REMUNERATION PAID TO EXECUTIVE DIRECTORS

The remuneration paid to the Executive Directors during the year under review is as under :-

Name of Director	Position	Salary (Rs.)	Commission (Rs.) *
Shri Indresh Batra	Managing Director	1,19,51,275	89,10,000
Ms. Sminu Jindal	Managing Director	1,75,28,774	90,00,000
Shri H.S. Chaudhary	Whole-time Director	29,20,133	-

The terms of appointment of Managing Director are on contractual basis for a period of 5 years from the date of appointment. Terms of appointment of Whole Time Director are contractual for a period of 2 years from the date of appointment. The Company has not issued any stock option.

\* @ 1% on the net profits of the Company computed in the manner laid down under section 349 of the Companies Act, 1956, subject to a maximum of an amount equivalent to one year basic salary.

### (3) AUDIT COMMITTEE

#### (i) TERMS OF REFERENCE

The role and terms of Audit Committee covers the area of Clause 49 of the listing agreement with stock exchanges and section 292A of the Companies Act, 1956 besides other terms as may be referred to by the Board of Directors of the Company. The minutes of the Audit Committee are taken note by the Board of Directors.

#### (ii) COMPOSITION & MEETINGS

The Committee met 4 times during the year on 20.04.2010, 19.07.2010, 08.11.2010, and 31.01.2011. The attendance of the members in the meetings is as follows :-

Name of Member	Status	No. of Meetings Attended
Shri A.J.A.Tauro	Chairman	2
Shr Devi Dayal	Member	2
Shri Kuldip Bhargava	Member	3
Dr. Raj Kamal Agarwal	Member	4

Shri Sunil Jain, Company Secretary, is the Secretary of the Committee. Head of Finance & Accounts Department, Statutory Auditors, Cost Auditors and Internal Auditors attend the meetings of the Audit Committee. The Audit

Committee deals with the various aspects of financial statements including quarterly, half yearly and annual results, adequacy of internal controls & internal audit functions, compliance with accounting standards and Company's financial & risk management policies, etc. It reports to the Board of Directors about its findings & recommendations pertaining to above matters.

### (4) REMUNERATION COMMITTEE

The Company has only three executive directors on the Board whose appointment and remuneration has been fixed by the Board and approved by the members. The non-Executive Directors are paid sitting fee @ Rs. 20,000/- per meeting of the Board and its Committees. In view of this, no Remuneration Committee has been constituted.

### (5) SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

#### (i) TERMS OF REFERENCE

To look at redressing of shareholders/investors complaints like transfer of shares, non-receipt of dividend warrants, allotment of securities/ shares on conversion of warrants/ bonds, etc.

#### (ii) COMPOSITION

The composition of Shareholders/Investor Grievance Committee is as under :-

Name of Member	Status
Shri P. R. Jindal	Chairman
Ms. Sminu Jindal	Member
Dr. Raj Kamal Agarwal	Member

Mr. Sunil Jain, Company Secretary, is the compliance officer of the Company.

This Committee met 16 times during the year ended 31st March, 2010 on 09.04.2010, 23.04.2010, 07.05.2010, 28.05.2010, 30.06.2010, 19.07.2010, 19.08.2010, 13.09.2010, 20.10.2010, 08.11.2010, 29.11.2010, 30.12.2010, 18.01.2011, 17.02.2011, 15.03.2011 and 31.03.2011.

The Board has also delegated power to approve transfer of shares to Executive Directors to be informed to the Board later in their meeting.

#### (iii) SHAREHOLDERS' COMPLAINT / TRANSFER OF SHARES

The details of shareholders' / investors' complaints received / disposed off during the year under review are as follows :-

No. of Shareholders' Complaints Received During The Period	No. of Complaints Not Solved	No. of Pending Complaints
22	NIL	NIL



## Corporate Governance Report

### (6) GENERAL BODY MEETINGS

- (i) The details of annual general meetings held in last three years at the Regd. Office at A-1, UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan-281403, Distt. Mathura, U.P. and that of the special resolution(s) passed are as under: -

AGM	DAY	DATE	TIME	No. & subject matter of special resolutions
23rd	Thursday	27.03.2008	12.30 p.m.	One- relating to issue of securities on preferential basis.
24th	Saturday	20.6.2009	12.30 p.m.	Nil
25th	Friday	17.09.2010	1.00 p. m.	Nil

- (ii) No special resolution passed last year through postal ballot. At the ensuing annual general meeting, there is no resolution proposed to be passed through postal ballot.

### (7) DISCLOSURES

- (i) There were no materially significant related party transactions, i.e., transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. Transactions with the related parties have been disclosed in schedule No. 21 to the Accounts in the Annual Report.
- (ii) No penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years. There were no instances of non-compliance by the Company.
- (iii) Though the Company has not adopted formal Whistle Blower Policy, the employees of the Company are accessible to the Sr. Management for any counseling or consultation and no personnel have been denied access to the Audit Committee.
- (iv) The Company has complied with the mandatory requirement of clause 49 of the listing agreement. The Company has not adopted non-mandatory requirement of the said clause during the period under review.

### (8) MEANS OF COMMUNICATION

- (i) Quarterly Results The quarterly results of the Company are submitted to the Stock Exchanges as well as published in the newspapers as per the requirement of clause 41 of the listing agreement. These results are also posted on website of the Company.

(ii) Newspapers wherein results normally published English : Business Standard, Economic Times, Times of India, Financial Times, Mumbai Mirror, HT Mint  
Hindi : Navbharat Times, Dainik Jagran

(iii) Any website, where displayed The results are displayed on the website of the Company, i.e., [www.jindalsaw.com](http://www.jindalsaw.com)

(iv) Whether it also displays official news releases No

(v) The presentation made to institutional investors or to the analyst Nil

### (9) GENERAL SHAREHOLDER INFORMATION

(i) AGM : Date, time and venue  
Date : 30th September, 2011  
Time : 1.00 P.M.  
Venue : A-1, UPSIDC Indl. Area, Nandgaon Road, Kosi Kalan, Distt. Mathura - 281 403

#### (ii) Financial year (1st April, 2011 to 31st March, 2012)

- (a) Second quarterly : Before 14th of November, 2011 results
- (b) Third quarterly : Before 14th of February, 2012 results
- (c) Audited yearly results for the year ending 31st March, 2012 : Before September, 2012
- (d) Annual General Meeting for the year 31st March, 2012 : Before 30th September, 2012

#### (iii) Date of Book Closure :

28th September, 2011 to 30th September, 2011  
(Both days inclusive)



## Corporate Governance Report

**(iv) Dividend Payment Date :**

Dividend on equity shares when sanctioned will be made payable on or after the 5th October, 2011 to those shareholders whose names stand on the Company's Register of Members on 27th September, 2011 to whom dividend warrants will be posted. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the depositories at the end of business hours on 27th September, 2011.

**(v) Listing on Stock Exchanges :**

The Equity Shares of the Company are listed on the following Stock Exchanges: -

- (i) Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
- (ii) The National Stock Exchange of India Ltd., Exchange Plaza, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051 and Up to date listing fees have been paid to the Stock Exchanges.

**(vi) (a) Stock Code :**

Bombay Stock Exchange Limited (BSE)	National Stock Exchange of India Ltd. (NSE)	
Equity Share	Equity Share	Debenture*
500378	JINDALSAW	1. JSAW15 2. JSAW16 3. JSAW17

\* Debentures are listed in VWD segment of the NSE.

**(b) ISIN :** Equity Share - INE324A01024

ISIN : Debenture  
 JSAW15 - INE324A07054  
 JSAW16 - INE324A07062  
 JSAW17 - INE324A07070

**(vii) Market Price Data : High, Low during each month in last financial year :**

The details of monthly highest and lowest quotations of the equity shares of the Company at Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited during the period from 1st April, 2010 to 31st March, 2011 are as under:

Month	National Stock Exchange		Bombay Stock Exchange	
	Highest Rate (Rs.)	Lowest Rate (Rs.)	Highest Rate (Rs.)	Lowest Rate(Rs.)
Apr-10	227.00	207.55	227.10	212.40
May-10	218.30	176.35	218.00	178.00
Jun-10	208.90	180.00	209.00	183.10
Jul-10	209.85	194.60	209.80	195.20
Aug-10	214.80	195.55	215.00	195.40
Sep-10	221.70	201.25	221.50	199.20
Oct-10	234.40	208.60	234.40	208.15
Nov-10	229.85	170.10	229.80	170.00
Dec-10	194.60	150.85	195.00	172.00
Jan-11	225.00	183.00	225.00	183.20
Feb-11	221.95	176.05	222.25	176.25
Mar-11	215.00	164.20	209.40	181.05



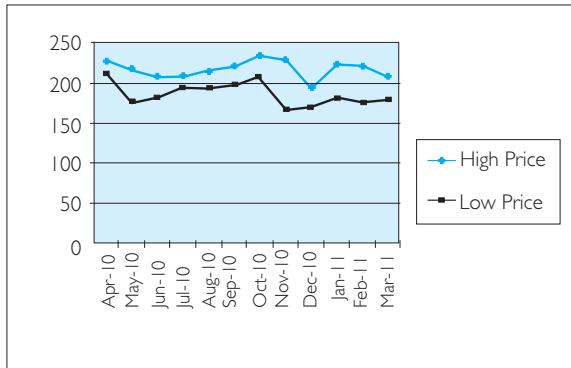
## Corporate Governance Report

### (viii) Performance in comparison to broad based indices :

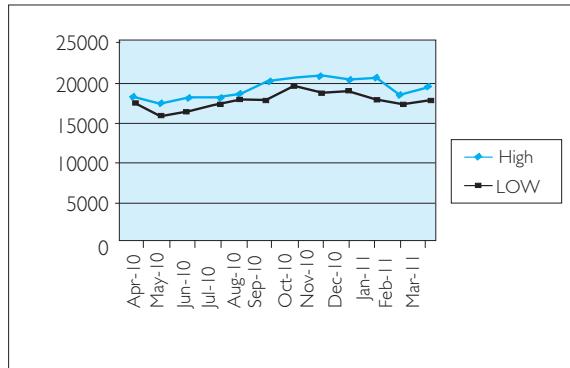
#### MARKET PRICE DATA

Month	Bombay Stock Exchange		BSE SENSEX	
	Highest Rate (Rs.)	Lowest Rate (Rs.)	High	Low
Apr-10	227.10	212.40	18047.86	17276.80
May-10	218.00	178.00	17536.86	15960.15
Jun-10	209.00	183.10	17919.62	16318.39
Jul-10	209.80	195.20	18237.56	17395.58
Aug-10	215.00	195.40	18475.27	17819.99
Sep-10	221.50	199.20	20267.98	18027.12
Oct-10	234.40	208.15	20854.55	19768.96
Nov-10	229.80	170.00	21108.64	18954.82
Dec-10	195.00	172.00	20552.03	19074.57
Jan-11	225.00	183.20	20664.80	18038.48
Feb-11	222.25	176.25	18690.97	17295.62
Mar-11	209.40	181.05	19575.16	17792.17

BSE PRICE



BSE SENSEX



### (ix) Registrar and Transfer Agents :

RCMC Share Registry (P) Ltd.  
1515, B-106, Sector-2, Noida (U.P.)  
Phone: - 0120-4015880  
Fax: - 0120-4015839  
e-mail: - rcmc@theoffice.net.

The Share Transfer Requests as well as other correspondence relating to shares of the Company are also accepted at our office at Jindal Centre, 12, Bhikaji Cama Place, New Delhi - 110 066.

### (x) Share Transfer System :

Share transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. The Committee of Directors meets regularly to approve the transfer of shares and to oversee other issues relating to shareholders.



## Corporate Governance Report

### (xi) Distribution of Shareholding and Shareholding Pattern :

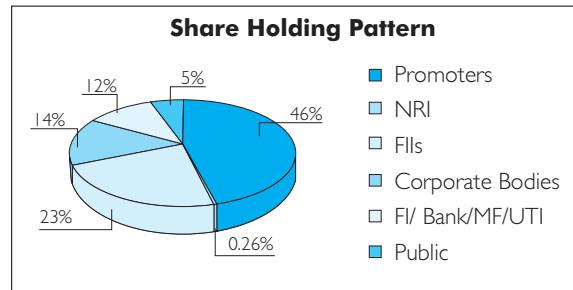
(a) The shareholding distribution of equity shares as on 31st March, 2011 is given below :-

**Distribution of Holdings**

Shareholding of Value of Rs.	Shareholders		Share holding		
	Number	% to total	Share	Amount	% to total
UP TO 5000	31723	96.03	9328051	18656102.00	3.38
5001 TO 10000	713	2.16	2674226	5348452.00	0.97
10001 TO 20000	288	0.87	2131761	4263522.00	0.77
20001 TO 30000	69	0.21	881200	1762400.00	0.32
30001 TO 40000	35	0.11	607852	1215704.00	0.22
40001 TO 50000	18	0.05	429318	858636.00	0.16
50001 TO 100000	47	0.14	1659472	3318944.00	0.60
100001 and Above	143	0.46	258515641	517031282.00	93.59
<b>** G Total</b>	<b>33036</b>	<b>100.00</b>	<b>276227521</b>	<b>552455042.00</b>	<b>100.00</b>

(b) Shareholding Pattern as on 31st March, 2011:

Category	No. of Shares	% of Holding
Promoters	127057485	46.00
NRI	728302	0.26
FII	62357114	22.57
Corporate Bodies	39193011	14.19
FI/Bank/Mf/ UTI	32193050	11.65
Public	14698559	5.33
<b>Total</b>	<b>276227521</b>	<b>100.00</b>



### Dematerialization of shares and liquidity :

Number of shares in physical and demat form as on 31st March, 2011 are as follows:

	No. of shares	Percentage
In Physical Form	88209880	31.93
In Demat Form	188017641	68.047
<b>Total</b>	<b>276227521</b>	<b>100.00</b>

### (xii) Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity :

Foreign Currency Convertible Bond holders holding Bonds for aggregate amount of JPY 5896800000 had an option to convert the same upto 24.06.2011 into equity shares of Rs.2/- each at conversion price of Rs.135/- per equity share with a fixed rate of exchange on conversion of JPY 2.533=Re.1.00 (after adjustment as per terms & conditions of issue of Bonds). Since the option to convert the Bonds was not exercised, these Bonds have since been redeemed fully on June 30, 2011. Presently, there are no outstanding options on un-issued share capital.

### (xiii) Plant Locations :

The Plants of the Company are located at Kosi Kalan (Mathura, U.P.), Sinar (Nashik, Maharashtra), Mundra (Kutch, Gujarat) & Bellary (Karnataka).

### (xiv) Address for correspondence :

Jindal Saw Ltd.  
Jindal Centre, 12, Bhikaji Cama Place,  
New Delhi - 110 066  
Telephone no. : 26188360-74  
Fax no. : 26170691/41659575  
E-mail : investors@jindalsaw.com

### DECLARATION FOR CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and Sr. Management Personnel have affirmed compliance of Code of Conduct as adopted by the Board for the year ended 31st March, 2011.

Place : New Delhi  
Date : 12th August, 2011

**SMINU JINDAL**  
Managing Director



**JINDAL SAW LTD.**  
ANNUAL REPORT 2010-11

## Auditors' Certificate on Corporate Governance

To the Members of

**JINDAL SAW LIMITED**

We have examined the compliance of condition of Corporate Governance Procedure implemented by JINDAL SAW LIMITED for the year ended 31st March, 2011 as stipulated in clause 49 of Listing Agreement of the said company with the Stock Exchange of India.

The compliance of the Corporate governance is the responsibility of the Management. Our examination has been limited to a review of the procedure and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the Directors and the Management, we certify that the Company has complied with the condition of the Corporate Governance as stipulated in clause 49 of the above-mention Listing Agreement.

We further state that such compliance is neither an assurance as to further viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**N.C. Aggarwal**  
Partner  
M.No. 005951

For & on behalf of  
**N.C. AGGARWAL & CO.**  
Chartered Accountants  
Firm Regn. No. 003273N

Place : New Delhi

Date : 12th August, 2011



## Auditors' Report

To

### THE MEMBERS OF JINDAL SAW LIMITED

We have audited the attached Balance Sheet of JINDAL SAW LIMITED as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- A) As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure hereto, a statement on the matters specified in paragraphs 4 and 5 of the said Order, so far as applicable to the Company.
- B) Further to our comments in Annexure referred to in paragraph (A) above, we report that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company.
  - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies

Act, 1956.

- (e) Based on written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors of the company is disqualified as on 31st March, 2011 from being appointed as director of the company as referred to in clause (g) of sub section (1) of section 274 of the Companies Act 1956.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
  - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and
  - ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date, and
  - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

N.C. Aggarwal

Partner

M.No. 005951

For & on behalf of

N.C. AGGARWAL & CO.

Chartered Accountants

Firm Regn. No. 003273N

Place : New Delhi

Date : 12th August, 2011



## Auditors' Report

### ANNEXURE TO AUDITORS' REPORT

(REFERRED TO IN PARAGRAPH (A) IN OUR REPORT OF EVEN DATE FOR THE YEAR ENDED 31st March, 2011)

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) A major portion of the fixed assets has been physically verified by the Management in accordance with a phased programme of verification adopted by the Company. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.
- c) The Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. a) As explained to us, the management during the year has physically verified inventories at reasonable intervals and in respect of stores and spares, there is a perpetual inventory system and a substantial part of such stocks has been verified during the year. However, stocks in the possession and custody of third parties and stock in transit as at 31st March, 2011 have been verified by the Management with reference to confirmation or statement of account or correspondence of third parties or subsequent receipt of goods. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventories. The discrepancies noticed during physical verification of inventories as compared to book records were not material and the same have been properly dealt with in the books of account.
3. a) (i) The Company has given interest bearing demand loan to two subsidiary companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year and year end balance in respect of said subsidiaries is Rs. 43204.21 lacs and Rs. 5685.22 lacs. The Company has not given any other loan to any Company or party covered under section 301 of the Companies Act, 1956.
- b) In our opinion and according to the information and explanations given to us, the interest bearing demand loans with relevant terms and conditions on which loan has been given are, *prima facie*, not prejudicial to the interest of the Company.
- c) In respect of the aforesaid loans, the amounts are repayable on demand, and hence, the question of irregularity on payment does not arise.
- d) The aforesaid loans are repayable on demand and therefore, the question of overdue amounts does not arise.
- b) As informed to us, the Company has not taken any loans, secured or unsecured from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Thus Paragraph 4 (iii) (f) & (g) of the order, is not applicable.
4. In our opinion and according to information and explanations given to us, having regard to the explanation that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventories, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal control system of the Company.
5. a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions with parties with whom transactions exceeding the value of Rupees five lacs have been entered into during the financial year are at prices, which are reasonable, having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits)



## Auditors' Report

- Rules, 1975 with regard to the deposits accepted from the public.
7. In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
8. We have broadly reviewed the accounts and records maintained by the Company in respect of manufacture of steel and steel products to which the said rules are made applicable pursuant to the order made by the Central Government for maintenance of cost records prescribed under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of such records with a view to determine whether these are accurate and complete.
9. a) According to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Sales Tax, Income Tax, Custom duty, Investor Education & Protection fund, Excise Duty, Cess, Service Tax and Royalty. There are no arrears as at 31st March, 2011 for a year of more than six months from the date they become payable.
- b) According to the information and explanation given to us, the dues in respect of sales tax, excise, Service tax, entry tax, income tax and custom duty that have not been deposited with the appropriate authorities on account of dispute and the forum where the disputes are pending are given below:
- | Name of the Statute                               | Year to which the amount relates | Forum where matter is pending            | Amount (Rs. in lacs) |
|---|----------------------------------|--|----------------------|
| Custom Duty<br>Under The Customs Act, 1962        | 2009-10                          | CESTAT , Mumbai                          | 12.50                |
| Excise Duty<br>Under The Central Excise Act, 1944 | 2004-05 to 2007-08               | Commissioner (Appeals) Ahmedabad         | 32.21                |
| Excise Duty<br>Under The Central Excise Act, 1944 | 2005-06                          | Commissioner (Appeals) Rajkot            | 58.97                |
| Excise Duty<br>Under The Central Excise Act, 1944 | 2007-08 & 2008-09                | Commissioner (Appeals) Lucknow           | 11.42                |
| Sales Tax<br>Under Gujarat Sales Tax Act.         | 2002-03 & 2008-09                | Hon'ble High Court of Gujarat, Ahmedabad | 141.94               |
- Sales Tax  
Under Central Sales Tax, Act 2005-06 Sales Tax Tribunal, Ahmedabad 10.52
- Entry Tax under the Utter Pradesh Tax on Entry of Goods, 2008 2008-09 to 2010-11 Hon'ble High Court Allahabad 797.00
- Service Tax  
Under Chapter V of the Finance Act, 1994 2004-05 & 2005-06 Commissioner(Appeals), Ahmedabad 18.04
10. The Company has no accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. According to the information and explanation given to us, the Company has not defaulted in repayment of dues to the banks and debenture holders.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provision of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
13. In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. In our opinion, and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantee for loans taken by others from banks, or financial institutions are not prima facie, prejudicial to the interest of the company.
16. In our opinion, and according to information and explanation given to us, the term loans have been applied for the purpose for which they were raised, other than temporary deployment pending application.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, in our opinion, there are no funds raised on short-term basis, which have been used for long-term investment.
18. According to the information and explanations given to us, the Company has not made any preferential allotment



## Auditors' Report

of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

19. The Company has not issued any debentures and hence the company has not created any security or charge in respect thereof.
20. The Company has not raised any money through a public issue during the year.
21. During the course of our examination of the books and records of the Company, and according to the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**N.C. Aggarwal**

Partner

M.No. 005951

For & on behalf of

**N.C. AGGARWAL & CO.**

Chartered Accountants

Firm Regn. No. 003273N

Place : New Delhi

Date : 12th August, 2011



# Financial Statements



## Balance Sheet As At 31st March, 2011

DESCRIPTION	SCHEDULE	As At 31st March, 2011 Rs. in lacs	As At 31st March, 2010 Rs. in lacs
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	5,524.58	15,472.34
Reserves and Surplus	2	396,594.16	348,652.64
		<u>402,118.74</u>	<u>364,124.98</u>
<b>DEFERRED TAX LIABILITY (NET)</b>		<u>22,664.78</u>	18,580.78
<b>LOAN FUNDS</b>			
Secured	3	78,576.24	8,918.90
Unsecured	4	82,589.74	64,786.98
		<u>161,165.98</u>	<u>73,705.88</u>
<b>Total</b>		<u>585,949.50</u>	<u>456,411.64</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>	5		
Gross Block		257,755.55	238,257.20
Less : Depreciation		65,203.74	51,602.86
<b>Net Block</b>		<u>192,551.81</u>	<u>186,654.34</u>
Capital Work in Progress		42,522.11	26,667.60
		<u>235,073.92</u>	<u>213,321.94</u>
<b>INVESTMENTS</b>	6	<u>65,430.84</u>	<u>61,987.12</u>
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Inventories	7	164,820.32	79,026.67
Sundry Debtors	8	123,461.14	79,406.11
Cash and Bank Balances	9	9,323.28	16,560.94
Loans and Advances	10	85,103.25	98,162.55
		<u>382,707.99</u>	<u>273,156.27</u>
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>			
Current liabilities	11	91,350.20	83,285.22
Provisions	12	5,913.05	8,768.47
		<u>97,263.25</u>	<u>92,053.69</u>
<b>NET CURRENT ASSETS</b>		<u>285,444.74</u>	<u>181,102.58</u>
<b>Total</b>		<u>585,949.50</u>	<u>456,411.64</u>
<b>Significant Accounting Policies and Notes to the Accounts</b>	21		

As per our report of even date attached

For N.C.AGGARWAL & CO.  
Chartered Accountants  
Firm Registration No. 003273N

H.S. CHAUDHARY  
Wholetime Director

SMINU JINDAL  
Managing Director

N.C.Aggarwal  
PARTNER  
M.No. 005951  
PLACE : NEW DELHI  
DATED : 12th August 2011

SUNIL JAIN  
Company Secretary

N.K.AGARWAL  
Vice President  
(Corp. Accounts & Taxation)



## Profit And Loss Account For The Year Ended 31st March, 2011

DESCRIPTION	SCHEDULE	Year Ended 31st March, 2011 Rs. in lacs	Period Ended 31st March, 2010 Rs. in lacs
<b>INCOME</b>			
Sales and Operational Income	13	<b>434,526.19</b>	697,481.12
Less : Excise Duty		<b>15,731.54</b>	<b>418,794.65</b>
Other Income	14		19,734.77
Increase/(Decrease) in Stock	15		677,746.35
Excise Duty on Increase/(Decrease) in Stock			1,759.51
			(22,071.90)
			(494.47)
		<b>423,786.68</b>	<b>656,939.49</b>
<b>EXPENDITURE</b>			
Cost of Material Consumed/Sold			250,039.27
Manufacturing Expenses	16		413,744.99
Employees Remuneration and Benefits	17		49,361.18
Administrative & Other Expenses	18		20,906.68
Selling Expenses	19		9,689.39
Finance Expenses	20		34,900.97
Depreciation			18,418.49
Less: Transfer from Revaluation Reserve			
		<b>13,685.44</b>	<b>13,495.52</b>
		<b>19.00</b>	<b>368.57</b>
		<b>13,666.44</b>	<b>13,126.95</b>
		<b>363,240.82</b>	<b>560,148.65</b>
		<b>60,545.86</b>	<b>96,790.84</b>
<b>Profit before Taxation</b>			
Less: Provision for:			
- Current Income Tax			10,026.00
- Deferred Tax			4,084.00
- Wealth Tax			29.25
- Fringe Benefit Tax			-
			<b>46,406.61</b>
<b>Profit After Taxation</b>			<b>72,316.82</b>
Debenture Redemption Reserve Written Back			-
Foreign Exchange Translation Difference			0.92
Previous years' Depreciation Written Back			-
Previous year Taxation Adjustment			(250.55)
Surplus Brought Forward on Amalgamation			-
Profit Brought Forward			21,912.03
<b>Amount available for Appropriation</b>		<b>68,069.01</b>	<b>21,817.12</b>
<b>APPROPRIATIONS:</b>			<b>97,083.08</b>
Interim Dividend paid on Preference Shares			357.01
Corporate Dividend Tax on above			59.30
Proposed Dividend:			
on Equity shares			2,762.28
on Preference Shares			-
Corporate Tax on Proposed Dividend			448.11
General Reserve			40,000.00
Capital Redemption Reserve			10,000.00
<b>Balance Carried to Balance Sheet</b>		<b>14,442.31</b>	<b>21,912.03</b>
		<b>68,069.01</b>	<b>97,083.08</b>
<b>Earning Per Share ( On Face Value of Rs. 2/- Each)</b>			
Basic			16.57
Diluted			16.00
<b>Significant Accounting Policies and Notes to the Accounts</b>	21		
As per our report of even date attached			

For N.C.AGGARWAL & CO.  
Chartered Accountants  
Firm Registration No. 003273N

N.C.Aggarwal  
PARTNER  
M.No. 005951  
PLACE : NEW DELHI  
DATED : 12th August 2011

SUNIL JAIN  
Company Secretary

H.S. CHAUDHARY  
Wholetime Director

SMINU JINDAL  
Managing Director

N.K.AGARWAL  
Vice President  
(Corp. Accounts & Taxation)



## Cash Flow Statement For The Year Ended 31st March 2011

PARTICULARS	Year Ended 31st March, 2011 Rs. in lacs	Period Ended 31st March, 2010 Rs. in lacs
<b>A. CASH INFLOW/(OUTFLOW) FROM THE OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX	60,545.86	96,790.84
Adjustments for:		
Add/(Less):		
Depreciation	13,666.44	13,126.95
Dividend Received	(0.13)	(0.01)
Interest Paid	4,449.39	7,515.49
(Profit)/Loss on sale of fixed assets	46.26	(9.88)
Provision for Doubtful Debts	-	989.30
Provision for Doubtful Debts Written Back	(22.49)	(732.29)
Liquidity Damages/ Bad Debts	270.13	2,956.30
Profit on Sale of Current Investments	(1,705.95)	(553.48)
Foreign Currency Translation Reserve	0.92	6.65
Effect of Unrealised FE (Gain)/Loss	(325.97)	(1,885.74)
Interest Received	(3,192.71)	(4,277.25)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>13,185.89</b>	<b>17,136.04</b>
Adjustments for:-		
Inventories	(85,793.65)	85,271.91
Sundry debtors	(44,745.99)	35,478.15
Other current assets	(18,158.32)	(510.41)
Current liabilities	8,254.62	(47,998.28)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(66,711.59)</b>	<b>72,241.37</b>
Tax Paid	(14,918.39)	(186,168.26)
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>(81,629.98)</b>	<b>(16,902.72)</b>
<b>B. CASH INFLOW/(OUTFLOW) FROM INVESTMENT ACTIVITIES</b>		
(Increase)/Decrease in Investment	22,948.80	(20,446.52)
(Increase)/Decrease in Investment in Subsidiaries	(24,686.57)	(19,334.50)
Capital expenditure	(35,994.18)	(39,144.38)
Sale proceeds of fixed assets	494.31	247.88
Loan to subsidiaries	33,865.04	(10,361.46)
Inter Corporate Loans	3,886.39	(8,013.76)
Interest Received	3,221.04	4,283.10
Dividend Received	0.13	0.01
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>3,734.96</b>	<b>(92,769.64)</b>
<b>C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>		
Dividend paid including Tax	(4,457.35)	(4,386.03)
Interest paid	(3,596.96)	(5,788.25)
Proceeds from Equity Share Capital including Securities Premium	-	21,301.34
Redemption of Preference Share Capital	(10,000.00)	-
Movement of Working Capital loans from banks- Secured	73,229.48	(48,544.92)
Increase/(Decrease) in secured loan	(3,379.99)	(14,594.48)
Movement of Working Capital loans from banks- Unsecured	5,358.00	(22,358.70)
Increase/(Decrease) in fixed deposits	884.84	803.78
Increase/(Decrease) in unsecured loan	12,598.79	355.43
<b>NET CASH INFLOW/(OUTFLOW) USED IN FINANCING ACTIVITIES</b>	<b>70,636.81</b>	<b>(73,211.83)</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENT</b>	<b>(7,258.21)</b>	<b>3,284.08</b>
Cash and cash equivalent as at 01.04.2010 (opening balance)	16,560.94	14,081.53
Exchange Difference on translation of Foreign Currency cash and cash equivalent	20.55	(821.87)
Cash and Cash equivalent pursuant to amalgamation	-	17.20
<b>Cash and cash equivalent as at 31.03.2011 (Closing balance)</b>	<b>9,323.28</b>	<b>16,560.94</b>

NOTE: 1. Increase in secured and unsecured loans are shown net of repayments.  
 2. Purchase of fixed assets includes movements of Capital Work-in-progress between the beginning and end of the year.  
 3. Previous period's figures have been regrouped wherever necessary.

As per our report of even date attached

For N.C.AGGARWAL & CO.  
Chartered Accountants  
Firm Registration No. 003273N

N.C.Aggarwal  
PARTNER  
M.No. 005951  
PLACE : NEW DELHI  
DATED : 12th August 2011

SUNIL JAIN  
Company Secretary

H.S. CHAUDHARY  
Wholetime Director

SMINU JINDAL  
Managing Director

N.K.AGARWAL  
Vice President  
(Corp. Accounts & Taxation)



## Financial Statements

DESCRIPTION	As At 31st March, 2011 Rs. in lacs	As At 31st March, 2010 Rs. in lacs
<b>SCHEDULE "I"</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
i) 500,000,000 Equity Shares of Rs. 2/- each	10,000.00	10,000.00
ii) 10,000,000 Redeemable Non Convertible Cumulative Preference Shares of Rs. 100/- each	10,000.00	10,000.00
	<b>20,000.00</b>	<b>20,000.00</b>
<b>ISSUED AND SUBSCRIBED</b>		
i) 276,230,771 (Previous period 273,618,735) Equity Shares of Rs. 2/- each	5,524.62	5,472.37
ii) 10,000,000 7.85 % Redeemable Non convertible Cumulative Preference Shares of Rs.100/- each (refer note 4 below)	-	10,000.00
	<b>5,524.62</b>	<b>15,472.37</b>
<b>PAID UP</b>		
i) 276,226,771 (Previous period 273,614,735) Equity Shares of Rs. 2/- each	5,524.54	5,472.30
Add: Forfeited 4,000 (Previous period 4,000) Equity shares of Rs. 2/- each (Partly Paid up Rs.1 each)	0.04	0.04
	<b>5,524.58</b>	<b>5,472.34</b>
ii) 10,000,000 7.85 % Redeemable Non convertible Cumulative Preference Shares of Rs.100/- each (refer note 4 below)	-	10,000.00
	<b>5,524.58</b>	<b>15,472.34</b>

### NOTES:

1. OF THE ABOVE EQUITY SHARES :-
  - a) 10,040,000 & 33,069,680 were allotted pursuant to contract and schemes of Amalgamation respectively without payment being received in cash.
  - b) 128,980,860 were allotted as bonus shares by capitalising Reserves and Securities Premium.
  - c) 3,250 shares have been held in abeyance and not allotted as a result of attachment orders by Govt. authorities, lost share certificates and other disputes.
2. During the year, 8,932 Foreign Currency Convertible Bonds were converted into 2,612,036 equity shares of Rs. 2/- each at the option of Bondholders.
3. Options on Un-issued Share Capital
 

Foreign Currency Convertible Bond holders holding Bonds for aggregate amount of JPY 5896800000 had an option to convert the same upto 24.06.2011 into equity shares of Rs.2/- each at conversion price of Rs.135/- per equity share with a fixed rate of exchange on conversion of JPY 2.533 = Rs. 1.00 after adjustment as per terms and conditions of issue of bonds.
4. Preference Shares have been redeemed during the year.



## Financial Statements

	As At 31st March, 2010 Rs. in lacs	Additions during the year Rs. in lacs	Transfers/ Deductions Rs. in lacs	As At 31st March, 2011 Rs. in lacs
<b>SCHEDULE "2"</b>				
<b>RESERVES AND SURPLUS</b>				
(i) Capital Reserve *	2,138.90	1,466.78	-	<b>3,605.68</b>
(ii) Capital Redemption Reserve	1,500.00	10,000.00	-	<b>11,500.00</b>
(iii) General Reserve	250,055.46	40,000.00	-	<b>290,055.46</b>
(iv) Securities Premium Account	72,554.84	3,963.46	-	<b>76,518.30</b>
(v) Revaluation Reserve	491.41	-	19.00	<b>472.41</b>
(vi) Profit and Loss Account	21,912.03	46,406.61	53,876.33	<b>14,442.31</b>
	<u>348,652.64</u>	<u>101,836.85</u>	<u>53,895.33</u>	<u>396,594.16</u>
Previous Period	<u>217,729.00</u>	<u>205,389.12</u>	<u>74,465.48</u>	<u>348,652.64</u>

\* Refer Note No.5 of Schedule 21

DESCRIPTION	As At 31st March, 2011 Rs. in lacs	As At 31st March 2010 Rs. in lacs
<b>SCHEDULE "3"</b>		
<b>SECURED LOANS</b>		
(i) Term Loan From Banks	<b>3,395.20</b>	7,159.49
(ii) Working Capital Loan from Banks	<b>41,909.54</b>	1,759.41
(iii) Buyer Credit from Banks	<b>33,271.50</b>	-
	<u><b>78,576.24</b></u>	<u>8,918.90</u>

### NOTES

A. Term Loans from Banks include:

- (i) Loans of Rs.8.24 lacs (Previous period Rs. 26.36 lacs ) for purchase of vehicles are secured by way of hypothecation of vehicles.
- (ii) Term Loan of Rs. 3355.80 lacs (Previous period Rs. 6667.00 lacs) is secured by way of mortgage of Company's immovable properties and hypothecation of moveable fixed assets both present and future and also by way of personal guarantee of a director.
- (iii) Housing loan of Rs.31.16 lacs (Previous period 466.13 lacs ) which is secured by way of exclusive charge on the Company's House Property situated in Delhi and also by way of personal guarantee of a director.

B. Working Capital Loans and Buyer Credit are secured by hypothecation of finished goods, raw-materials, work-in-progress, stores and spares, book debts and secured/ to be secured by second charge in respect of other moveable and immovable properties of the Company.



## Financial Statements

DESCRIPTION	As At 31st March, 2011 Rs. in lacs	As At 31st March 2010 Rs. in lacs
<b>SCHEDULE "4"</b>		
<b>UNSECURED LOANS</b>		
(i) Fixed Deposits	<b>4,404.57</b>	3,519.73
(ii) Deferred Sales Tax Loans	<b>5,983.88</b>	7,180.03
(iii) Short Term Loan from Banks	<b>5,358.00</b>	-
(iv) Buyer Credit from Banks	<b>34,988.77</b>	-
(v) External Commercial Borrowing	-	21,193.83
(vi) Foreign Currency Convertible Bonds	<b>31,854.52</b>	32,893.39
	<b>82,589.74</b>	<b>64,786.98</b>

**Note :**

- (i) Deferred Sales Tax loans amounting to Rs. 2122.99 lacs are guaranteed by one of the Directors.
- (ii) External Commercial Borrowing were repaid on 29th September 2010.
- (iii) The Foreign Currency Convertible Bonds (FCCB) were convertible upto the close of business on 24th June 2011 by holders of the Bonds into newly issued equity shares of Rs. 2 each of the company at the option of the Bondholder, at a base conversion price of Rs. 135 per share with a fixed rate of exchange on conversion of JPY 2.533 = Rs. 1.00 after adjustmentsas per terms & conditions of issue of bonds and the same have since been redeemed on 29th June, 2011.

**Schedule "5"**

**Fixed Assets**

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01.04.10	Additions	Deduction/ Adjustments	As At 31.03.11	Upto 31.03.10	During The Year	Previous Year's Excess Depreciation Written Back	Deduction/ Adjustments	Upto 31.03.11	As At 31.03.11
<b>Tangible Assets:</b>										
Land:										
Free hold	3,227.10	210.92	-	<b>3,438.02</b>	-	-	-	-	<b>3,438.02</b>	3,227.10
Lease hold	450.56	216.97	-	<b>667.53</b>	107.96	10.47	-	-	<b>118.43</b>	549.10
Building	29,150.15	2,823.33	151.51	<b>31,821.97</b>	3,232.14	775.20	-	-	<b>4,007.34</b>	27,814.63
Plant & Machinery	202,856.50	15,594.59	384.44	<b>218,066.65</b>	47,351.21	12,632.84	-	44.01	<b>59,940.04</b>	158,126.61
Vehicles	1,378.22	430.37	97.17	<b>1,711.42</b>	504.30	156.29	-	48.54	<b>612.05</b>	1,099.37
Furniture & Fixture	1,155.20	110.27	-	<b>1,265.47</b>	388.80	74.24	-	-	<b>463.04</b>	802.43
<b>Intangible Assets:</b>										
Computer Software	39.47	745.02	-	<b>784.49</b>	18.45	44.39	-	-	<b>62.84</b>	721.65
<b>TOTAL</b>	<b>238,257.20</b>	<b>20,131.47</b>	<b>633.12</b>	<b>257,755.55</b>	<b>51,602.86</b>	<b>13,693.43</b>	-	<b>92.55</b>	<b>65,203.74</b>	<b>192,551.81</b>
Previous Period	146,870.90	91,744.65	358.35	238,257.20	38,343.92	13,497.52	118.23	120.35	51,602.86	186,654.34

**NOTE**

A) Gross Block includes the following amount on account of revaluation made on 31.03.1996 of Pipe Division at Kosi Kalan at Net current Residual Replacement Value.

I) Land	
Freehold	7.38
Leasehold	143.59
Building	548.34
Plant & Machinery	3,916.96

B) Free hold Lands includes Rs.1,800 lacs, conveyance deed for which is yet to be excuted.

C) Depreciation during the year includes Depreciation Capitalized during Pre-operative Stage amounting to Rs. 7.99 lacs (Previous period Rs. 2.00 lacs)



## Financial Statements

DESCRIPTION	As At 31st March, 2011			As At 31st March, 2010		
	No.of Shares / Bonds	Face Value Rs.	Amount Rs. in lacs	No.of Shares / Bonds	Face Value Rs.	Amount Rs. in lacs
<b>SCHEDULE "6"</b>						
<b>INVESTMENTS</b>						
<b>I. LONG TERM - NON TRADE (AT COST )</b>						
<b>A Investment in Equity Shares of Subsidiary Companies</b>						
<b>Unquoted</b>						
a) Hexa Securities & Finance Co. Ltd.	25,500,000	10	2,550.00	25,500,000	10	2,550.00
b) IUP Jindal Metals & Alloys Ltd.	11,300,000	10	4,531.80	11,300,000	10	4,531.80
c) Jindal ITF Ltd.	78,981,646	10	23,684.63	78,981,646	10	23,684.63
d) Jindal Saw Holdings FZE	1,000	*	18.32	1,000	*	18.32
e) S.V. Trading Ltd.	2	**	938.93	2	**	938.93
f) Hexa Tradex Ltd.	250,000	2	5.00			-
			<u>31,728.68</u>			<u>31,723.68</u>
<b>B Investment in Equity Shares Quoted</b>						
a) JSW Steel Ltd.	1,362	10	0.38	1,362	10	0.38
b) Jindal South West Holdings Ltd.	334	10	0.23	334	10	0.23
			<u>0.61</u>			<u>0.61</u>
<b>Unquoted</b>						
a) Rohit Tower Building Ltd.	2,400	100	2.40	2,400	100	2.40
b) Sona Bheel Tea Ltd.	86,025	10	5.90	86,025	10	5.90
c) Jindal Overseas Pte.Ltd. (Singapore)	153,000	1\$	31.40	153,000	1\$	31.40
			<u>39.70</u>			<u>39.70</u>
<b>C. Government and Other Securities</b>						
<b>Quoted</b>						
a) 11.30 % GOI 2010 Bonds			-	70,000	100	82.13
b) 11.50 % Bond of ICICI Bank Ltd.			-	14,000	1000	160.72
			<u>-</u>			<u>242.85</u>
<b>Unquoted</b>						
a) National Savings Certificates			0.10			0.10
			<u>0.10</u>			<u>0.10</u>
<b>D. Share Application Money</b>						
<b>Subsidiary Companies</b>						
a) Jindal ITF Ltd.			28,213.00			8928.00
b) Jindal Saw Holdings FZE			5,448.75			52.18
			<u>33,661.75</u>			<u>8,980.18</u>
			<u>65,430.84</u>			<u>40,987.12</u>



## Financial Statements

DESCRIPTION	As At 31st March, 2011			As At 31st March, 2010		
	No.of Shares / Bonds	Face Value Rs.	Amount Rs. in lacs	No.of Shares / Bonds	Face Value Rs.	Amount Rs. in lacs
<b>2. SHORT TERM CURRENT-TRADE</b> ( At Lower of Cost or Fair Market Value )						
Mutual Funds						
HDFC Liquid Fund -Premium Plan-growth			-			500.00
Reliance Liquid Fund Growth			-			1,000.00
Reliance Quarterly Interval Fund Series -II IP Growth			-			2,500.00
JM High Liquidity Fund SIP Growth			-			1,000.00
JP Morgan India Liquid Fund-Growth			-			5,000.00
Birla Sunlife ST Opportunities Fund-IP Growth			-			2,500.00
Canara Robeco Liquid Fund SIP - Growth			-			500.00
Taurus Liquid Fund Institutional Growth			-			1,500.00
Fortis Money Plus Institutional Growth			-			500.00
Kotak Liquid IP Growth			-			500.00
Bharti AXA Liquid Fund Institutional- Growth			-			500.00
Baroda Pioneer Liquid Fund - Growth			-			500.00
Tata Liquid Fund-growth			-			500.00
Axis Liquid Fund Growth			-			500.00
L&T Liquid SIP Growth			-			1,000.00
SBI Magnum Instacash Fund Growth			-			500.00
Religare Liquid Fund SI- Growth			-			1,000.00
AIG India Liquid Fund SI - Growth			-			500.00
Shinsei Liquid Fund IP- Growth			-			500.00
<b>Total</b>			<b>-</b>			<b>21,000.00</b>
Aggregate Market Value of Quoted Investments			<b>65,430.84</b>			<b>61,987.12</b>
Aggregate Value of Quoted Investments			<b>15.61</b>			<b>239.10</b>
Aggregate Value of Unquoted Investment			<b>0.61</b>			<b>243.46</b>
			<b>65,430.23</b>			<b>61,743.66</b>

\* Face Value of 1 Share @ AED 150 each.

\*\* Face Value of 1 Share @ US\$ 1 & Face Value of another Share @ US\$ 2000000.



## Financial Statements

NOTES: The Company has purchased and sold the following Current Investments in Mutual Funds during the year.

S. No.	Particulars	No. of Units Purchased/sold	Amount of Purchase Rs. in lacs
1	Birla Sunlife Cash Plus - Instl. Prem. - Growth	191,605,195	28,507.37
2	Birla Sun Life Cash Manager - Instl. Plan - Growth	48,594,175	7,500.00
3	Birla Sunlife Savings Fund - Instl. Prem. - Growth	25,631,714	4,501.23
4	Birla Sunlife Ultra Short Term fund- Institutional Growth	131,621,466	14,501.27
5	Birla Sunlife Floating Rate Fund-Long Term-Inst-Growth	22,914,905	2,500.34
6	HDFC Liquid Fund - Premium Plan - Growth	72,526,961	13,500.00
7	HDFC Liquid Fund - Premium Plus Plan - Growth	13,213,112	2,500.00
8	HDFC Floating Rate Income Fund-ST Plan - VVS-Growth	57,154,932	9,001.18
9	JPMorgan India Liquid Fund - Growth Plan	1,087,174,627	131,719.70
10	JPMorgan India Treasury Fund - Growth Plan	196,540,656	23,862.27
11	Principal Cash Mgt. Fund Liquid Option-Insti Premium Plan -Growth	20,590,969	3,000.00
12	Principal Money Manager fund institutional Growth plan	9,476,427	1,000.00
13	Principal Floating Rate Fund - Insti Premium Plan -Growth	6,830,708	1,000.12
14	Reliance Liquidity Fund - Growth Option	426,408,174	62,592.30
15	Reliance Medium Term Fund- Retail Plan -Growth Plan -Growth Option	86,312,945	16,690.42
16	Reliance Money Manager Fund - Institutional Growth Plan	3,318,968	42,038.99
17	Reliance Liquid Fund -Treasury Plan- Instutional Option -Growth Option- Growth Plan	77,689,693	17,500.00
18	Reliance Liquid Fund_Cash Plan Growth Plan	46,938,789	7,395.00
19	Reliance Monthly Interval Fund- Series I- Institutional Growth Plan	59,246,087	7,500.00
20	Reliance Monthly Interval Fund- Series II- Institutional Growth Plan	19,871,209	2,500.37
21	DWS Insta Cash Plus Fund Super Institutional - Growth Plan	217,362,597	26,300.00
22	DWS Insta Ultra Short Term Fund Institutional - Growth Plan	77,663,136	8,501.23
23	DWS Treasury Fund Cash- Institutional Growth	19,459,576	2,000.25
24	Taurus short term Income fund- Growth plan	157,120	2,500.00
25	Taurus Liquid Fund Institutional - Growth Plan	7,267,636	73,363.56
26	Taurus Ultra Short Term -Bond Fund Super Ip Growth	1,755,685	19,102.15
27	Bharti AXA Liquid Fund- Super Institutional Plan- Growth	492,537	5,500.00
28	Bharti AXA Treasury Advantage Fund-Institutional Plan- Growth	489,715	5,500.72
29	ICICI Prudential Institutional Liquid Plan-Super Institutional Growth	12,039,151	16,500.00
30	ICICI Prudential Ultra Short Term Plan Premium Plus Growth	48,244,142	5,004.70
31	ICICI Prudential Flexible Income Plan-Premium Growth	5,527,287	9,501.30
32	ICICI Prudential Blended B Plan Institutional Growth	24,999,514	2,500.38
33	SBI Premier Liquid Fund- Institutional - Growth	16,674,266	2,500.00
34	SBI - Magnum Insta Cash Fund Liquid -Cash option	21,509,334	4,500.00
35	SBI - Ultra Short Term Fund IP Daily Dividend	5,000,643	500.07
36	SBI Premier Liquid Fund-Super Institutional - Growth	37,341,608	5,500.00
37	Religare Liquid Fund-Super Institutional Growth	88,541,192	11,275.00
38	Religare Short Term Plan-Institutional Growth	19,819,082	2,500.30
39	Religare Ultra Short Term Fund- Institutional Growth	29,753,545	3,775.47
40	Religare Credit Opportunities fund-Inst Growth	9,503,855	1,000.15
41	Templeton floating rate Income Fund Long Term Plan Super Institutional-Growth	9,498,147	1,200.15
42	Templeton India Treasury Management Acct. Super Inst. Plan Growth	4,515,946	62,852.22
43	Templeton India Ultra short bond fund super institutional Plan-Growth	136,741,356	16,352.08
44	AIG India Liquid Fund Super Institutional Growth	91,080	1,100.00
45	AIG India Treasury Plus Fund Super Institutional Growth	9,116,095	1,100.15
46	Baroda Pioneer Liquid -Inst. Growth	269,549,867	28,816.50
47	Baroda Pioneer Treasury Advantage Fund -Inst. Growth	103,067,030	10,801.51
48	Fidelity Cash Fund SI Growth	168,689,839	21,550.00
49	Fidelity Ultra Short Term Debt IP Growth	39,754,024	4,750.65
50	Kotak Liquid- IP Growth	319,541,938	60,135.00
51	Kotak Floater Long Term- Growth	64,763,944	9,500.57



## Financial Statements

S. No.	Particulars	No. of Units Purchased/sold	Amount of Purchase Rs. in lacs
52	Kotak Quaterly Interval Plan Series 4	21,020,958	2,500.36
53	Kotak Floater ST Fund Growth	45,893,128	7,100.00
54	Kotak Flexi Debt Scheme- IP Growth	245,733,601	28,004.13
55	Fortis Overnight Institutional Plus Growth	370,737,115	51,530.00
56	Fortis Overnight Institutional Growth	67,984,641	9,700.00
57	Fortis Money Plus Institutional Growth	73,533,439	10,509.04
58	UTI Treasury Advantage Fund-Growth	200,459	2,500.32
59	UTI Money Market Fund- Inst. Growth Plan	1,214,489	12,900.00
60	UTI Floating Rate Fund- Short Term Plan - Institutional Plan(Growth Option)	239,984	2,500.30
61	UTI Fixed Income Interval Fund-Monthly Interval Plan Series - I - Institutional Growth Plan	40,692,706	5,000.38
62	UTI Liquid Cash Plan -IP Growth	755,714	11,630.00
63	Peerless liquid fund-institutional Growth	19,951,032	2,000.00
64	Peerless ultra short term fund-institutional Growth	19,809,369	2,000.20
65	Peerless Ultra short term fund-super institutional Growth	93,803,745	9,501.75
66	Peerless Liquid Fund -SIP Growth	1,132,235,687	115,616.11
67	Sundaram BNP Paribas Money Fund SI Growth	60,687,409	12,000.00
68	Sundram BNPP Flexible Fund ST Inst.-Growth	17,042,551	2,500.30
69	LICMF Liquid Fund- Growth	613,201,118	104,380.00
70	LICMF Savings Plus Fund- Growth	244,756,829	36,105.01
71	LICMF Income Plus Fund - Gwth Fund	289,850,865	35,983.86
72	Canara Robeco Liquid Super Instt Growth Fund	174,735,092	19,900.00
73	Canara Robeco Treasury Advantage Super Instt Growth Fund	24,996,888	3,500.50
74	L&T Liquid Super Institutional Plan-Growth	199,210,971	25,570.00
75	L&T FI -STF -IP -Growth	55,569,956	8,270.81
76	JM High Liquidity Fund-SI Growth	381,349,272	55,970.00
77	JM Money Manager -Super Plus Growth	92,949,600	13,183.74
78	JM Money Manager Fund Regular Plan - Growth	19,651,741	2,500.33
79	JM Floater Fund Short Term Plan - Growth	6,669,023	1,000.00
80	TATA Liquid Super High Inv. Fund- Appreciation	689,477	11,800.00
81	TATA Terasury Manager Fund- SHIP Growth	552,828	5,800.76
82	TATA Fixed Income Portfolio Fund Scheme A3 Institutional	29,832,575	3,000.45
83	DSP Blackrock Liquidity Fund - Institutional Plan - Growth	1,042,566	14,000.00
84	Axis Liquid Fund - Growth	2,626,412	27,190.00
85	Axis Treasury Advantage Fund - Institutional Growth	626,812	6,420.76
86	Shinsei Liquid Fund-growth	4,085,137	42,755.96
87	Shinshei Tresury Advantage Fund - Growth	1,015,864	10,501.96
88	IDFC Cash Fund- Super Inst. Plan C -Growth	126,160,599	14,300.00
89	IDFC Mony Manager Fund-Treasury Plan Super-Inst plan C- Growth	31,879,805	3,500.42
90	IDFC Money Manager fund-Investment Plan-Inst Plan B-Growth	17,407,973	2,500.29
91	IDFC Fixed Maturity Plan-Series 25-Growth	20,003,484	2,000.35
92	ING Liquid Fund- Institutional SI Growth	37,154,535	5,200.00
93	HSBC Cash Fund- Institutional Plus- Growth	83,716,501	12,000.00
94	HSBC Ultra Short Term Bond Fund - Institutional Plus- Growth	85,033,013	11,001.60
95	Pramerica Liquid Fund-Growth	172,105,798	24,900.19
96	Pramerica Liquid Plus Fund-Growth	25,000,000	2,500.00
97	IDBI Liquid Fund-Growth	305,297,980	30,750.00
98	IDBI Liquid Plus Fund-Growth	2,000,595	200.06

Besides above Mutual Fund outstanding as at 31st March 2010 were also sold during the year.



## Financial Statements

DESCRIPTION	As At 31st March, 2011 Rs. in lacs	As At 31st March, 2010 Rs. in lacs
<b>SCHEDULE "7"</b>		
<b>INVENTORIES</b> (Taken, valued and certified by the management )		
i) Stores and Spares	12,174.87	7,782.02
ii) Loose Tools	356.87	206.39
iii) Finished goods	21,448.56	28,562.14
iv) Work in progress	20,658.49	12,832.60
v) Raw Materials*	108,239.29	28,793.33
vi) Scrap	1,942.24	850.19
	<b>164,820.32</b>	<b>79,026.67</b>
* Includes Raw Material in Transit of Rs. 27,977.88 lacs (Previous period Rs. 6,316.31 lacs)		
<b>SCHEDULE "8"</b>		
<b>SUNDRY DEBTORS</b> (Unsecured, considered good)		
i) Exceeding six months		
- Considered Good	25,637.21	21,319.90
- Considered Doubtful	2,264.98	2,287.47
ii) Others-considered good	97,823.93	58,086.21
	<b>125,726.12</b>	<b>81,693.58</b>
Less: Provision for Doubtful debts	2,264.98	2,287.47
	<b>123,461.14</b>	<b>79,406.11</b>
<b>SCHEDULE "9"</b>		
<b>CASH AND BANK BALANCES</b>		
i) Cash on hand	67.41	14.94
ii) Balance with Scheduled banks		
- Current Accounts	2,591.45	3,866.36
- Fixed Deposit Account*	6,664.42	12,679.64
	<b>9,323.28</b>	<b>16,560.94</b>
* This includes Rs. 3,755.94 lacs (Previous period Rs. 10,970.95 lacs) on account of balance unutilized money out of FCCB issue & Rs. 2,908.48 lacs (previous period Rs. 1,708.69 lacs) pledged with banks/ Govt. departments etc.		
<b>SCHEDULE "10"</b>		
<b>LOANS AND ADVANCES</b> (Unsecured, considered good)		
i) Loans to Subsidiaries	25,878.18	59,740.71
ii) Inter Corporate Loans	9,400.00	13,286.39
iii) Advances recoverable in cash or in kind or for value to be received	38,965.29	15,995.61
iv) Earnest money and Security deposits	3,668.52	3,890.32
v) Balances with Customs ,Central Excise Authorities etc.	415.87	599.71
vi) Prepaid Taxes ( Net of Provision for Tax)	1,703.61	-
vii) Export Benefits/ Govt. Grants Receivable	5,071.78	4,649.81
	<b>85,103.25</b>	<b>98,162.55</b>



## Financial Statements

DESCRIPTION	As At 31st March, 2011 Rs. in lacs	As At 31st March, 2010 Rs. in lacs
<b>SCHEDULE "11"</b>		
<b>CURRENT LIABILITIES</b>		
i) Acceptances	<b>6,270.78</b>	38,994.07
ii) Sundry Creditors		
- To micro and small Enterprises	<b>48.80</b>	15.21
- To others	<b>25,289.88</b>	23,709.02
iii) Advance from Customers	<b>42,701.79</b>	5,526.28
iv) Interest Accrued but not due	<b>5,996.10</b>	4,804.02
v) Other Liabilities	<b>10,567.69</b>	9,860.03
vi) Unclaimed Dividend *	<b>248.04</b>	222.64
vii) Due to Subsidiary	<b>227.12</b>	153.95
	<b>91,350.20</b>	<b>83,285.22</b>
* There is no amount due & outstanding to be credited to Investor's Education and Protection fund u/s 205 C of the Companies Act, 1956.		
<b>SCHEDULE "12"</b>		
<b>PROVISIONS</b>		
I) Taxation ( Net of Prepaid Taxes)	<b>-</b>	2,908.98
II) Proposed Dividend	<b>2,762.28</b>	3,487.25
III) Corporate Dividend Tax	<b>448.11</b>	579.19
IV) Leave encashment	<b>1,805.55</b>	1,274.70
V) Gratuity	<b>897.11</b>	518.35
	<b>5,913.05</b>	<b>8,768.47</b>



## Financial Statements

DESCRIPTION	Year Ended 31st March, 2011 Rs. in lacs	Period Ended 31st March, 2010 Rs. in lacs
<b>SCHEDULE "I3"</b>		
<b>SALES AND OPERATIONAL INCOME</b>		
(i) Sales	410,374.26	669,821.54
(ii) Conversion Charges	21,510.58	13,366.97
(iii) Govt. Incentive / Grants	2,641.35	14,292.61
	<b>434,526.19</b>	<b>697,481.12</b>
<b>SCHEDULE "I4"</b>		
<b>OTHER INCOME</b>		
(i) Dividend on Long Term investments	0.13	0.01
(ii) Profit on Sale of Current Investments	1,705.95	553.48
(iii) Miscellaneous Receipts	1,929.05	1,216.21
(iv) Previous Year's Adjustment (Net)	-	(10.19)
	<b>3,635.13</b>	<b>1,759.51</b>
<b>SCHEDULE "I5"</b>		
<b>INCREASE / (DECREASE) IN STOCK</b>		
<b>OPENING STOCK</b>		
Finished Goods	28,562.14	24,780.33
Work in progress	12,832.60	35,212.56
Scrap	850.19	4,323.94
	<b>42,244.93</b>	<b>64,316.83</b>
<b>CLOSING STOCK</b>		
Finished Goods	21,448.56	28,562.14
Work in progress	20,658.49	12,832.60
Scrap	1,942.24	850.19
	<b>44,049.29</b>	<b>42,244.93</b>
Increase/(Decrease) in Stock	<b>1,804.36</b>	<b>(22,071.90)</b>



## Financial Statements

DESCRIPTION	Year Ended 31st March, 2011 Rs. in lacs	Period Ended 31st March, 2010 Rs. in lacs
<b>SCHEDULE "I6"</b>		
<b>MANUFACTURING EXPENSES</b>		
Stores and Spares	14,987.60	16,037.55
Power and Fuel	16,596.08	18,270.00
Outsourcing	3,634.60	7,219.78
Other Manufacturing expenses	5,679.59	4,721.62
Repair and Maintenance:		
- Plant and Machinery	2,124.91	2,832.49
- Factory Building	417.97	279.74
	<b>43,440.75</b>	<b>49,361.18</b>
<b>SCHEDULE "I7"</b>		
<b>EMPLOYEES REMUNERATION AND BENEFITS</b>		
Salary, Wages and other Benefits	17,872.33	18,329.39
Contribution to Provident and other funds	1,579.30	1,487.17
Workmen and Staff Welfare	1,050.16	1,090.12
	<b>20,501.79</b>	<b>20,906.68</b>
<b>SCHEDULE "I8"</b>		
<b>ADMINISTRATIVE AND OTHER EXPENSES</b>		
Rent	271.58	204.22
Rates and Taxes	61.09	39.90
Insurance	363.60	357.79
Postage, Telegrams & Telephones	256.82	301.15
Travelling & Conveyance	1,204.22	1,339.16
Legal & Professional Fee & Expenses	1,130.30	1,293.44
Vehicle upkeep & Maintenance	209.63	271.84
Directors' Meeting Fees	9.00	12.00
Charity and Donations	113.10	61.85
Miscellaneous Expenses	1,895.53	2,563.68
Auditor's Remuneration	28.70	35.06
Cost Auditor's Remuneration	9.31	5.87
Provision for doubtful debts	-	989.30
Provision for doubtful debts written back	(22.49)	(732.29)
Liquidated damages/Bad Debts	270.13	2,956.30
(Profit) on Sale of Fixed Assets	(3.31)	(19.11)
Loss on Sale of Fixed Assets	49.57	9.23
	<b>5,846.78</b>	<b>9,689.39</b>



## Financial Statements

DESCRIPTION	Year Ended 31st March, 2011 Rs. in lacs	Period Ended 31st March, 2010 Rs. in lacs
<b>SCHEDULE "19"</b>		
<b>SELLING EXPENSES</b>		
Commission on Sales	3,006.36	8,338.90
Advertisement	235.04	158.73
Forwarding Charges*	12,939.03	23,498.49
Other Selling Expenses	1,658.71	2,904.85
	<b>17,839.14</b>	<b>34,900.97</b>
*Net of recoveries Rs. 14,757.29 lacs ( Previous Period Rs. 2,945.68 lacs)		
<b>SCHEDULE "20"</b>		
<b>FINANCE EXPENSES</b>		
Interest on Fixed Deposits	419.24	339.21
Interest on Debentures	-	2,744.38
Interest on Term Loans	656.51	1,360.61
Interest on Bank Borrowings	1,201.67	1,208.35
Bank and Finance charges	2,269.90	3,398.96
Interest to Others	2,171.97	1,862.94
Foreign Exchange Fluctuation / Loss/(Gain) from Derivative Transactions (Net)	8,380.07	11,781.29
	<b>15,099.36</b>	<b>22,695.74</b>
Less: Interest Received:		
Interest on Bonds and Debentures (TDS Rs. 0.97 lacs, Previous period Rs. 2.04 lacs)	11.24	30.01
Other Interest on Loans, Advances and Deposits (TDS Rs. 250.21 lacs, Previous period Rs. 413.33 lacs)	3,181.47	4,247.24
	<b>3,192.71</b>	<b>4,277.25</b>
	<b>11,906.65</b>	<b>18,418.49</b>



## Financial Statements

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

#### SCHEDULE '21'

##### A) SIGNIFICANT ACCOUNTING POLICIES

###### i) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the Company. All income & expenditure items having a material bearing on the financial statements are recognized on accrual basis, except in respect of insurance claims, Liquidated damages, and derivative transactions, where the exact quantum can not be ascertained.

###### 2) SALES

- a) The Sales are inclusive of Excise Duty but net of Sales Tax.
- b) Materials returned/rejected are accounted for in the year of return /rejection.
- c) Revenue in respect of Service/ Works Contracts is recognized based on the Work performed and invoiced as per the terms of specific Contracts.
- d) Revenue in respect of sale of goods is recognized either on delivery or on transfer of significant risk and rewards of ownership of the goods.
- e) Incentives on exports and other Government Incentives are recognized in Books after due consideration of certainty of utilization/ receipt of such incentives.

###### 3) FIXED ASSETS

###### a) VALUATION OF FIXED ASSETS

- i) Tangible Fixed Assets are stated at cost of acquisition (net of Cenvat/ Value Added Tax credit) inclusive of all incidental expenses related thereto except Land, Building and Plant & Machinery in respect of Pipe Division, at Kosi Kalan, Mathura which have been stated at revalued amount as a result of their revaluation.
- ii) Software which is not an integral part of related hardware is classified as an intangible asset and is stated at cost.

###### b) DEPRECIATION & AMORTIZATION

- i) Depreciation on Fixed Assets is provided on Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956, as amended up to date.
- ii) Depreciation on revalued fixed assets is computed on Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956, as amended up to date and additional depreciation on account of revaluation is adjusted to Revaluation Reserve Account.
- iii) Leasehold assets are amortized over the lease period.
- iv) Intangible fixed assets are amortized over a period of 5 years.

###### c) EXPENDITURE DURING CONSTRUCTION PERIOD FOR NEW PROJECTS /EXPANSION cum MODERNIZATION PROJECTS

Expenditures which are directly attributable to identified assets and incurred during the construction period are included under capital work-in-progress, till the completion of the project. Expenditures which are not directly attributable to an identified asset forming part of a project, including interest on borrowed funds, are carried to pre-operative expenses, till the completion of the project. On completion of the project, capital work in progress along with pre-operative expenses is carried to respective fixed assets.



## Financial Statements

### d) IMPAIRMENT OF ASSETS

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e the higher of the net asset selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Profit and Loss Account. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

### 4) VALUATION OF INVENTORIES

Inventories are valued at the lower of cost and net realizable value except scrap, which is valued at net realizable value. The cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition. Cost is computed on the weighted average basis.

### 5) INVESTMENTS

Long-term investments are stated at cost. When there is a decline other than temporary in their value, the carrying amount is reduced on an individual investment basis and decline is charged to the Profit and Loss Account. Appropriate adjustment is made in carrying cost of investment in case of subsequent rise in value of investments. Current investments are carried at lower of cost or Fair market value.

### 6) BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets and other borrowing costs are recognized as expense in the period in which these are incurred.

### 7) FOREIGN EXCHANGE TRANSACTIONS

Foreign currency transactions are recorded at the exchange rate prevailing at the date of transaction. Monetary foreign currency assets and liabilities are translated at the year end exchange rates. All exchange differences are dealt with in the Profit and Loss Account, except (i) to the extent that they are regarded as an adjustment to the interest cost and the resultant balance for new projects ,till the date of capitalization, are carried to pre-operative expenses. In case of forward foreign exchange contracts, exchange difference are dealt within the Profit and Loss Account over the life of the contract, except as mentioned in (i) supra. Non monetary foreign currency items are carried at historic costs.

In the case of foreign branches, being non-integral foreign operations, revenue items are converted at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Exchange Gain arising on conversion is recognized in the exchange fluctuation reserves and in case of loss, the same is charged to Profit and Loss Account.

Gain or loss on reinstatement on the forward exchange transaction or on cancellation of forward exchange contracts, if any, is reflected in the Profit and Loss Account or capitalized till the date of installation of such fixed asset.

Derivative transactions are considered as Off-Balance Sheet items and cash flows arising there from are recognized in the Books of Account as and when the settlements take place in accordance with the terms of the respective contracts over the tenure thereof.

### 8) CONTINGENT LIABILITIES

Contingent liabilities are not provided for in the Accounts but are separately disclosed by way of a note.

### 9) EMPLOYEE BENEFITS

- i) Short term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related services are rendered.
- ii) Contributions to Provident Fund, a defined contribution plan are made in accordance with the statute, and are recognized as an expense in the year in which the employees have rendered service.



## Financial Statements

- iii) The cost of providing leave encashment and gratuity, defined benefit plans are determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses are recognized as and when incurred.

### 10) GOVERNMENT GRANTS

Grants and subsidies from the Government are recognized when there is a reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

Government Grant of the nature of promoter's contribution are credited to capital reserve and treated as a part of shareholders funds.

### 11) MISCELLANEOUS EXPENDITURE

- i.) Preliminary & Shares and Convertible Bonds issue expenses are adjusted from Securities Premium Account.

### 12) TAXATION

- i) Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws.
- ii) Deferred tax is computed at the current rate of tax to the extent of temporary timing differences that originate in one period and are capable of reversal in one or more subsequent periods.

## B. NOTES TO THE ACCOUNTS

### I. CONTINGENT LIABILITIES

	As At 31st March, 2011 Rs. in lacs	As At 31st March, 2010 Rs. in lacs
a) Guarantees issued by the Company's bankers on behalf of the Company	<b>93,263.13</b>	70,188.92
b) Letter of Credit Outstanding	<b>90,367.15</b>	49,397.52
c) Bills discounted by banks	<b>8,930.00</b>	-
d) Claims against the company not acknowledged as debts	<b>856.00</b>	-
e) Corporate guarantees/ undertaking issued to lenders of subsidiary companies	<b>12,878.51</b>	2,685.11
f) Disputed Excise duty, Custom Duty and service tax	<b>162.29</b>	122.87
g) Income tax demands against which company has preferred appeals	<b>1,224.66</b>	885.12
h) Disputed Sales Tax	<b>595.93</b>	627.37
i) Liability in respect of Corporate Guarantee/ Duty Saved for availing various export based incentive schemes	<b>10,249.26</b>	8,616.65
2. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	<b>35,775.34</b>	9,326.79

3. A Scheme of Arrangement and Demerger (Scheme) entailing de-merger of Investment Undertaking into Hexa Tradex Limited (HTL) was filed by the Company with the Hon'ble High Court of Judicature at Allahabad. As per the order of the Hon'ble High Court of Allahabad, the separate meetings of the shareholders and secured & unsecured creditors were convened and the Scheme was approved by them.

As per the said Scheme, with effect from the Appointed Date i.e. 1st January, 2011, the Investment Undertaking shall stand transferred to and vested in HTL on a going concern basis pursuant to the provisions contained in Sections 391 to 394 and other applicable provisions of the Companies Act 1956. The Scheme is pending before the Hon'ble High Court of Allahabad for confirmation and hence the effect of the Scheme has not been given in the financial results for the year ended 31st March, 2011.



## Financial Statements

As per the Scheme, the following assets and liabilities of the Investment Division of the Company as appearing on 1st January, 2011 i.e., the appointed date would be transferred to HTL:

	Rs in lacs
Current Liabilities	0.82
Provisions	1.43
<b>Total</b>	<b>2.25</b>
<b>b) Assets</b>	
Investments	2,558.91
Advances recoverable	1.37
Loan to Subsidiary	19,272.91
<b>Total</b>	<b>21,833.19</b>

Once the Scheme is made effective, as a consideration of transfer of Investment Undertaking, HTL will issue and allot to the Equity Shareholders of Jindal Saw Ltd. 1 (one) equity share of face value of Rs. 2/- (credited as fully paid-up) for every 5 (five) fully paid-up equity shares of Rs. 2/- each held by them in Jindal Saw Ltd. as on the Record Date (to be fixed). The equity shares so allotted by HTL shall be listed on NSE and BSE.

Had the effect of the Scheme after approval of the Hon'ble High Court of Allahabad and filing a certified copy with Registrar of Companies, Utter Pradesh, being taken, the Profit after tax would have been Rs. 46,417.76 lacs (instead of Rs. 46,406.61 lacs), Reserves and Surplus Rs. 374,769.37 lacs (instead of Rs. 396,594.16 lacs), Investments Rs. 62,866.93 lacs (instead of Rs. 65,430.84 lacs), Current Assets and Loans & Advances Rs. 363,443.63 lacs (instead of Rs. 382,707.99 lacs) Current liabilities and provision Rs. 97,259.76 lacs (instead of Rs. 97,263.25 lacs).

4. Based on intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the required disclosures is given below\*

Sr. No.	Particulars	Year ended 31st March, 2011	Period ended 31st March, 2010
		Rs. in lacs	Rs. in lacs
1	Principal amount outstanding as at end of the year/period	48.80	15.21
2	Interest due on (1) above and unpaid	-	-
3	Interest paid to the supplier	-	-
4	Payment made to the supplier beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding year	-	-

\* To the extent information available with the company

5. The Company's manufacturing facility at Nashik has been granted "Mega Project Status" by Government of Maharashtra and therefore is eligible for Industrial Promotion Subsidy (IPS) under Packaged Scheme of Incentive (PSI) 2007.

Purpose of the Packaged Scheme of Incentive (PSI) 2007 is for intensifying and accelerating the process of dispersal of industries to the less developed regions and promoting high tech industries in the developed areas of the state coupled with the object of generating mass employment opportunities.

Modality of payment of IPS consists of the following:

- a. Electricity Duty exemption for the period of 7 years from the date of commencement of commercial production from 10.09.2009 to 09.09.2016



## Financial Statements

- b. 100% exemption from payment of Stamp duty
- c. VAT and CST payable to the State Government (on sales made from Nashik plant, within a period of 7 years starting from 10th Sep 2009)

IPS will be payable so as to restrict up to 75% of the Eligible Fixed Capital investments made from 13th Sep 2007 to 10th Sep 2009 . The Eligibility Certificate issued allows maximum Fixed Capital Investment of Rs. 350 crores and restrict IPS to 75% of Rs 350 crores i.e. Rs. 262.50 crores

In terms of the Accounting Standard (AS 12) "Accounting for Government Grants" prescribed by Companies (Accounting Standards) Amendment Rules, 2006, eligible incentive of Rs. 1,466.78 lacs is considered to be in the nature of promoter's contribution and has been credited to Capital Reserve.

- 6. The Company's significant leasing arrangements are in respect of operating leases for premises-residential and offices. These leasing arrangements are cancellable. The aggregate lease rentals payables are charged as rent.
- 7. The Company has unquoted investments of Rs. 28,239.75 lacs (Previous Period Rs. 30,784.75 lacs) and share application money of Rs. 33,661.75 lacs (Previous Period Rs. 8,980.18 lacs) in Subsidiary Companies, which have accumulated losses as per the latest available Balance Sheet and certain other unquoted investment where the fair value (amount unascertained) is lower than the cost, considering the long term strategic investments and future prospects, such diminution, in the opinion of the management, has been considered to be of temporary nature and hence no provision for the same is considered necessary.
- 8. An amount of Rs. 5,456.11 lacs (Previous Period Rs. 21,992.61 lacs) is outstanding from Subsidiary companies, which have accumulated losses. Having regard to the long- term involvement & future prospects, no provision is considered necessary towards these outstanding.
- 9. Sundry Debtors, Creditors and other advances are subject to confirmation. The effect of the same, if any, which is not likely to be material, will be adjusted at the time of confirmation.
- 10. The company has provided sponsor's undertakings to lenders of the projects being sponsored by its wholly owned subsidiary namely Jindal ITF Limited. Major terms of the undertakings envisage investment of equity, retention of major equity in subsidiary company, supporting the projects for shortfall in debt servicing and in the eventuality of any cost overrun.
- 11. The Stores and Spares consumed and Salaries & Wages incurred for repairs and maintenance of Plant and Machinery, Shed and Building have not been allocated to the respective repairs and maintenance accounts.
- 12. In the opinion of the Management, the realizable value of Current assets, loans & advances, in the ordinary course of business, would not be less than the amount at which they are stated.
- 13. Capital work in progress includes Advance against capital goods of Rs. 10,088.18 lacs (Previous Period Rs. 2,196.49 lacs).
- 14. The amount of foreign exchange fluctuation amounting to Rs. 5,371.53 lacs (Credit ) (Previous Period Rs. 4,830.94 lacs-Credit) is included under the relevant heads of expenditure and income.
- 15. During the year, the amount of foreign exchange fluctuation capitalized towards Fixed Assets is Rs. 143.82 lacs -Debit (Previous Period Rs. 779.26 lacs- Credit.)
- 16. Profit for the year includes Prior Period Adjustment Nil (Previous Period - Rs.10.30 lacs (Debit) and Rs. 0.11 lacs (Credit))
- 17. Profit or Loss on sale of Raw Materials, Stores and Spares is not ascertained or shown separately and sale proceeds have been credited to the respective consumption accounts.
- 18. Sundry Debtors include Nil (Previous Period Rs.136.25 lacs) due to Private Company in which director of the company is a director.
- 19. Charity and Donations includes Nil (Previous Period Rs. 2 lacs to Bhartiya Janta Party & Rs. 0.50 lacs to Indian National Congress, both of Gujarat State Unit) as contribution to political parties.



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### 20. Financial and Derivative Instruments

- a) Nominal amounts of derivative contracts entered into by the company and outstanding as at 31st March, 2011 for hedging Currency and interest rate related risks:

Sr. No.	Particulars	As at 31st March, 2011 (Rs. in lacs)	As at 31st March, 2010 (Rs. in lacs)
1	Interest rate swaps	6,698.00	6,771.00
2	Currency Swap	-	18,056.00
3	Options	78,825.00	190,970.00
4	Forward Contracts	123,318.00	65,873.86

- b) Foreign Currency exposures that has not been hedged by derivative instrument or otherwise are as under:

Sr. No.	Particulars	As at 31st March, 2011 (Rs. in lacs)	As at 31st March, 2010 (Rs. in lacs)
1.	Receivables/ inflow	-	-
2.	Payable/ Outflow	87,679.86	23,604.76

The Company has outstanding foreign currency related derivative contracts in the form of swap/options etc. The contracts have long dated tenure with multiple contingent/uncertain events. As such, ascertainment of fair value of these contracts is not feasible, however fair value of the mark to market (MTM) of all outstanding contracts has been estimated at approx. USD 148 million, against the company (previous period approx. USD 90 million). The aforesaid contracts also include contract(s) to the extent of approx. USD 32 million, the legality of which is under challenge before the Hon'ble High Court of Bombay for being declared as null and void. The Company intends to adopt AS-30 from next year and pending adoption of AS-30, the MTM is neither charged to Profit and Loss Account nor considered in the Balance Sheet. However, the gain/loss is being accounted for on cash settlement

### 21. Related Party Transactions

#### List of Related Parties & Relationship

##### a) Subsidiaries

###### i) Direct Subsidiaries:-

S.No	Name of the Company
1	Hexa Securities & Finance Co. Ltd
2	Jindal ITF Ltd.
3	IUP Jindal Metal & Alloys Ltd.
4	S.V. Trading Ltd.
5	Jindal Saw Holdings FZE
6	Hexa Tradex Limited (w.e.f. 28th Oct 2010)

###### ii) Indirect Subsidiaries (Control Exist)

S.No	Name of the Company
1	Jindal Saw USA, LLC
2	Jindal Saw Middle East FZC
3	Jindal Intellicom Limited (formerly known as Jindal Intellicom Pvt Limited)



## Financial Statements

- 4 JITF Water Infrastructure Limited (formerly known as Jindal Water Infrastructure Ltd.)
- 5 JITF Urban Infrastructure Ltd. (formerly known as Jindal Urban Infrastructure Ltd)
- 6 JITF Shipyards Ltd. (formerly known as Jindal Shipyards Ltd.)
- 7 Jindal Rail Infrastructure Ltd.
- 8 JITF Waterways Ltd. (formerly known as Jindal Waterways Ltd.)
- 9 JITF Infraclogistics Ltd. (formerly known as Jindal Infraclogistics Ltd.)
- 10 JITF Water Infra (Naya Raipur ) Ltd. (formerly known as Jindal Water Infra (Naya Raipur ) Ltd. )
- 11 JITF ESIPL CETP (Sitarganj) Ltd. (formerly known as Jindal ESIPL CETP (Sitarganj) Ltd.)
- 12 Timarpur-Okhla Waste Management Co. Pvt. Ltd.
- 13 Jindal Saw Gulf LLC
- 14 Ralael Holdings Ltd. ( w.e.f. 9th July 2010 )
- 15 Jindal Saw Italia S.r.l ( w.e.f. 1st October 2010 )
- 16 JITF Urban Infrastructure Services Ltd. ( w.e.f. 6th July 2010 )
- 17 Intellicom Insurance Advisors Ltd. (w.e.f. 9th August 2010)

**b) Joint Venture**

- 1 JITF Manila Water Development Co Ltd. (w.e.f. 3rd May 2010)
- 2 Jindal Sigma Ltd. (w.e.f. 26th July 2010)

**c) Key Management Personnel**

1	Ms Sminu Jindal	Managing Director
2	Mr Indresh Batra	Managing Director
3	Mr H S Chaudhary	Whole Time Director
4	Mr O P Sharma	Chief Operating Officer (Large Dia. Pipe- SBU)
5	Mr K Chandrayya	Director (Works- IPU)
6	Mr V S Konnur	Joint Managing Director (Seamless Business)

**d) Relative of Key Management Personnel**

Mr. P.R. Jindal

**e) Enterprise over which Key Management Personnel having significant Influence**

Sminu Jindal Charitable Trust

**E. Transactions**

Rs. in lacs

Description	Subsidiaries	Key Management Personnel (KMP), their relatives & Enterprises over which KMP having significant Influence	
		Current Year	Previous Period
<b>A. Transactions</b>			
1 Sale of Fixed Assets IUP Jindal Metal and Alloys Ltd.	9.42	-	-
2 Sale of Material/ Services JITF Water Infrastructure Ltd. JITF Shipyard Ltd. Jindal Saw USA LLC Jindal ITF Ltd. Jindal Saw Middle East FZC	6,348.92 9.25 117.45 163.95 7.80	6,061.97 - 34.17 - -	- - - - -



## Financial Statements

Description	Subsidiaries		Key Management Personnel (KMP), their relatives & Enterprises over which KMP having significant Influence	
	Current Year	Previous Period	Current Year	Previous Period
<b>3 Purchase of Consumables/ material/ services</b>				
Hexa Tradex Ltd.	2.31	-	-	-
Jindal Intellicom Ltd.	72.00	-	-	-
Jindal Saw USA LLC	-	8.36	-	-
<b>4 Purchase of Capital Items</b>				
Jindal Saw USA LLC	262.44	76.66	-	-
IUP Jindal Metal and Alloys Ltd	-	4.54	-	-
<b>5 Interest Received</b>				
S.V. Trading Ltd.	57.39	142.55	-	-
IUP Jindal Metal and Alloys Ltd	590.45	684.54	-	-
<b>6 Share Capital</b>				
Jindal ITF Ltd.	-	11,166.61	-	-
Jindal Saw Holding FZE	-	18.32	-	-
IUP Jindal Metal and Alloys Ltd	-	400.00	-	-
Hexa Tradex Ltd.	5.00	-	-	-
<b>7 Share Application Money</b>				
Jindal ITF Ltd.	19,785.00	8,644.39	-	-
Jindal Saw Holding FZE	5,396.58	52.18	-	-
<b>8 Share Application Money Recd Back</b>				
Jindal ITF Ltd.	500.00	947.00	-	-
<b>9 Loan given during the year</b>				
Hexa Securities & Finance Co. Ltd.	7,683.64	12,005.22	-	-
IUP Jindal Metal and Alloys Ltd.	-	2.96	-	-
<b>10 Loan Received Back during the year</b>				
Hexa Securities & Finance Co. Ltd.	4,568.00	2,159.00	-	-
IUP Jindal Metal and Alloys Ltd.	-	400.00	-	-
S.V. Trading Ltd.	37,574.54	-	-	-
<b>11 Advance paid during the year</b>				
JITF Water Infrastructure Ltd.	1,000.00	-	-	-
JITF Shipyard Ltd.	500.00	-	-	-
<b>12 Rent Paid</b>				
Mr. P.R. Jindal	-	-	8.40	10.50
<b>13 Meeting Fee Paid</b>				
Mr. P.R. Jindal	-	-	0.60	-
<b>14 Donation Paid</b>				
Sminu Jindal Charitable Trust	-	-	50.00	-
<b>15 Remuneration Paid</b>				
Ms. Sminu Jindal	-	-	265.29	281.51
Mr. Indresh Batra	-	-	208.61	217.57
Mr. O. P. Sharma	-	-	68.81	63.01
Others	-	-	119.93	117.91
<b>16 Interest Paid</b>				
Ms. Sminu Jindal	-	-	6.57	-



## Financial Statements

Description	Subsidiaries		Key Management Personnel (KMP), their relatives & Enterprises over which KMP having significant influence	
	Current Year	Previous Period	Current Year	Previous Period
<b>17 Rent Received</b> Mr. P.R. Jindal Jindal Intellicom Ltd.	-  42.33	-  52.91	6.00  -	7.50  -
<b>18 Expenses incurred by the Company</b> JITF Water Infrastructure Ltd. IUP Jindal Metal and Alloys Ltd Jindal Saw USA LLC Jindal Intellicom Ltd.	18.26  -  3.95  124.34	17.05  0.41  10.80  119.50	-  -  -	-  -  -
<b>19 Expenses incurred on behalf of the Company</b> JITF Water Infrastructure Ltd. IUP Jindal Metal and Alloys Ltd Jindal Saw USA LLC Jindal Intellicom Ltd.	-  0.21  81.56  9.95	0.70  6.42  56.66  8.61	-  -  -	-  -  -
<b>B. Outstanding Balance as on 31.03.2011</b>				
<b>1 Loans Given</b> Hexa Securities & Finance Co.Ltd. S.V. Trading Ltd. IUP Jindal Metal and Alloys Ltd	20,192.96  229.11  5,456.11	17,077.32  37,748.10  4,915.29	-  -	-  -
<b>2 Advances Recoverable</b> JITF Water Infrastructure Ltd. JITF Shipyard Ltd.	1,000.00  500.00	-  -	-  -	-  -
<b>3 Investment Outstanding</b> Hexa Securities & Finance Co.Ltd. IUP Jindal Metals & Alloys Ltd. Jindal ITF Ltd. Jindal Saw Holding FZE S.V. Trading Ltd. Hexa Tradex Ltd.	2,550.00  4,531.80  51,897.63  5,467.08  938.93  5.00	2,550.00  4,531.80  32,612.63  70.50  938.93  -	-  -  -	-  -  -
<b>4 Receivables</b> JITF Water Infrastructure Ltd. Jindal ITF Ltd. Jindal Saw USA LLC Jindal Intellicom Ltd. Jindal Saw Middle East FZC JITF Shipyard Ltd.	6,405.04  163.95  134.16  131.27  7.80  0.56	7,894.76  -  55.25  136.25  -  -	-  -  -	-  -  -
<b>5 Payables</b> Jindal Saw USA LLC IUP Jindal Metals & Alloys Ltd. Jindal Intellicom Ltd.	217.11  0.21  9.80	149.33  -  4.62	-  -  -	-  -  -
			Year ended 31st March, 2011 Rs. in lacs	Period ended 31st March, 2010 Rs. in lacs
<b>22 DEFERRED TAX LIABILITY</b>				
<b>A. Deferred Tax Liability</b> Difference between book and tax depreciation <b>Total Deferred Tax Liability</b>		24,197.00  24,197.00		21,493.89  21,493.89
<b>B. Deferred Tax Assets</b> Disallowance under Income Tax Act <b>Total Deferred Tax Assets</b> <b>Deferred Tax Liability (Net) (A-B)</b>		1,532.22  1,532.22  22,664.78		2,913.11  2,913.11  18,580.78



## Financial Statements

	Year ended 31st March, 2011 Rs. in lacs	Period ended 31st March, 2010 Rs. in lacs
<b>23 EMPLOYEE BENEFITS</b>		
i) <b>Defined Contribution Plan</b>		
Company's contribution to Provident Fund	904.40	898.13
Company's contribution to ESI	1.62	1.15
Company's contribution to Superannuation Fund	4.24	4.33
ii) <b>Defined Benefits Plan</b>		
a) <b>Actuarial Assumptions for Gratuity (Funded) and Leave Encashment (Unfunded)</b>		
Attrition Rate	10.00%	10.00%
Imputed Rate of Interest	8.50%	8.50%
Future salary increase	10.50%	10.50%
Expected return on plan assets	9.30%	9.25%
Mortality rate	LIC (1994-96) Ultimate Mortality Table 26.93 Years	LIC (1994-96) Ultimate Mortality Table 27.40 Years
Remaining Working Life		
The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.		
b) <b>Reconciliation of present value of obligation</b>		
<b>Gratuity (Funded)</b>		
Present value of obligation at the beginning of the year	1,402.90	803.82
Current Service Cost	329.75	306.42
Interest Cost	116.71	82.96
Actuarial (gain)/ loss	280.52	255.81
Benefits paid	(59.78)	(46.11)
Present value of obligation at the end of the year	2,070.09	1,402.90
<b>Leave Encashment (Unfunded)</b>		
Present value of obligation at the beginning of the year	1,002.62	660.24
Current Service Cost	810.96	656.00
Interest Cost	79.06	63.40
Actuarial (gain)/ loss	(307.82)	(249.95)
Benefits paid	(145.04)	(127.07)
Present value of obligation at the end of the year	1,439.78	1,002.62
c) <b>Reconciliation of fair value of plan assets</b>		
<b>Gratuity (Funded)</b>		
Fair value of plan assets at the beginning of the year	884.54	495.12
Expected return on plan assets	91.23	75.29
Actuarial gain/ (loss)	4.45	2.13
Contributions	252.54	358.11
Benefits paid	(59.78)	(46.11)
Fair value of plan assets at end of the year	1,172.98	884.54
Present value of obligation at the end of the IVP	2,070.09	1,402.90
Funded Status	(897.11)	(518.36)
Assets distributed on settlement	-	-



## Financial Statements

	Year ended 31st March, 2011 Rs. in lacs	Period ended 31st March, 2010 Rs. in lacs
d) Net (Asset)/Liability recognised in the Balance Sheet as at year end		
<b>Gratuity (Funded)</b>		
Present value of obligation at the end of the year	2,070.09	1,402.90
Fair value of plan assets at end of the year	1,172.98	884.54
Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	897.11	518.36
<b>Leave Encashment (Unfunded)</b>		
Present value of obligation at the end of the year	1,439.78	1,002.62
Fair value of plan assets at end of the year	N.A.	N.A.
Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	1439.78*	1002.62*
* Does not include short terms leave liability Rs.365.77 lacs ( Previous period Rs.272.08 lacs )		
e) Composition of plan assets as a percentage of total plan assets		
<b>Gratuity (Funded)</b>		
Insurer Managed Fund	1,172.98	884.54
Percentage	100%	100%
f) Expenses recognised in the Profit and Loss Account		
<b>Gratuity (Funded)</b>		
Current Service Cost	329.75	306.42
Interest Cost	116.71	82.96
Expected return on plan assets	(91.23)	(75.29)
Actuarial (gain)/loss recognised in the period	276.06	253.68
Past Service Cost	-	-
Total expenses recognised in the Profit and Loss Account for the year	631.29	567.77
Actual return on plan assets	95.68	77.42
<b>Leave Encashment (Unfunded)</b>		
Current Service Cost	810.96	656.00
Interest Cost	79.06	63.40
Expected return on plan assets	-	-
Actuarial (gain)/loss recognised in the period	(307.82)	(249.95)
Past Service Cost	-	-
Total expenses recognised in the Profit and Loss Account for the year	582.20	469.45
Actual return on plan assets	-	-

### 24 Segment Reporting

#### (i) Information about Business Segment

The company has only one business segment ' Iron & Steel Products ' as primary Segment



## Financial Statements

### (ii) Secondary Segment (Geographical Segment)

The Secondary Segment is Geographical, the Information of which is given hereunder:-

Particulars	Within India Rs. in lacs	Outside India Rs. in lacs	Total Rs. in lacs
1 Gross Revenue	<b>261,482.34</b> 429,239.31	<b>173,043.85</b> 268,241.81	<b>434,526.19</b> 697,481.12
Less: Excise Duty	<b>15,731.54</b> 19,734.77	- -	<b>15,731.54</b> 19,734.77
Net Revenue	<b>245,750.80</b> 409,504.54	<b>173,043.85</b> 268,241.81	<b>418,794.65</b> 677,746.35
2 Segment Assets	<b>617,735.54</b> 486,410.03	<b>46.37</b> 68.18	<b>617,781.91</b> 486,478.21
3 Capital Expenditure	<b>35,972.45</b> 39,144.38	<b>21.73</b> -	<b>35,994.18</b> 39,144.38

**Note:**

- 1 Unbold figures pertain to previous period.
- 2 Segment have been indentified inline with AS on Segment Reporting ( AS-17) taking into account the organisational structure and nature of product and differential risk and return of these segments

### 25 Disclosure as per amendment to clause 32 of the Listing Agreement.

Detail of Inter Corporate Loans:

Name of the Company	Amount outstanding as at 31st March, 2011 Rs. in lacs	Maximum balance outstanding during the year Rs. in lacs
<b>(a) Loans to Subsidiaries</b>		
(i) Hexa Securities & Finance Co. Ltd. *	<b>20,192.96</b> 17,077.32	<b>21,356.91</b> 18,535.32
(ii) IUP Jindal Metal & Alloys Ltd.	<b>5,456.11</b> 4,915.29	<b>5,456.11</b> 4,915.29
(iii) S.V. Trading Ltd.	<b>229.11</b> 37,748.10	<b>37,748.10</b> 40,072.51
<b>(b) Loans &amp; Advances where there is no repayment schedule</b>		
(i) Stainless Investments Ltd.	- 541.25	<b>563.67</b> 680.88
(ii) Goswami Credits and Investments Ltd.	- 1,855.26	<b>1,932.11</b> 1,867.44
(iii) Renuka Financial Services Ltd.	- 692.45	<b>721.14</b> 754.10
(iv) Manjula Finances Ltd.	- 2,209.16	<b>2,300.67</b> 2,223.70
(v) Nalwa Investments Ltd.	- 500.65	<b>521.39</b> 503.96
(vi) Mansarovar Investment Ltd.	- -	- 16.48
(vii) Satellite Developers Pvt. Ltd.	<b>7,200.00</b> 7,487.62	<b>7,494.00</b> 7,526.66
(viii) Religare Housing Development Corporation Ltd.	<b>2,200.00</b> -	<b>2,200.00</b> -

**Note:** Unbold figures pertain to previous period

\* No interest charged



## Financial Statements

	Year ended 31st March, 2011 Rs. in lacs	Period ended 31st March, 2010 Rs. in lacs
<b>26 (a) Auditors' Remuneration</b>		
1. <b>Statutory Auditors</b>		
i. Audit Fee	<b>19.63</b>	19.53
ii. Tax Audit Fee	2.71	5.19
iii. Certification/others	3.52	4.35
iv. Out of pocket Expenses	2.84	5.99
<b>Total</b>	<b>28.70</b>	35.06
2. <b>Cost Auditors</b>		
i. Audit Fee	7.33	3.37
ii. Others	-	1.77
iii. Out of pocket Expenses	1.98	0.73
<b>Total</b>	<b>9.31</b>	5.87
<b>(b) Directors' Remuneration</b>		
i. Salary including allowances etc.	241.96	250.28
ii. Commission	179.10	188.10
iii. Contribution to Provident & Other Funds	23.55	24.46
iv. Perquisites (as per Income Tax Rules)	58.49	65.06
<b>Total</b>	<b>503.10</b>	527.90
<b>27. Capital Work in progress includes following Pre operative expenses Pending allocation.</b>		
<b>Detail of Pre-operative Expenses</b>		
Raw material Consumption	-	22.81
Power & Fuel	6.63	195.73
Store & Spares	24.04	1.03
Repair to Plant and machinery	0.83	8.44
Salary, Wages & Other Benefits	49.47	120.04
Contribution to Provident & Other funds	5.28	6.02
Workman & Staff Welfare	5.67	10.57
Rent	32.08	12.42
Insurance Expenses	1.15	14.55
Travelling and Conveyance	33.36	71.16
Interest Paid *	(15.96)	1,381.84
Bank Charges	0.36	5.50
Foreign Exchange Fluctuation	143.82	(779.26)
Miscellaneous Expenses	216.74	160.30
Depreciation	7.99	2.00
	<b>511.46</b>	1,233.15
Less: Sales value of goods produced during trial period	-	11.24
	<b>511.46</b>	1,221.91
Add: Expenditure upto Previous period	870.71	15,160.22
	<b>1,382.17</b>	16,382.13
Less: Capitalised during the year	50.55	15,511.42
Balance Carried Forward	<b>1,331.62</b>	870.71

\* Net of Interest received Rs. 28.32 lacs (Previous period Rs. 209.95 lacs)



## Financial Statements

	Year ended 31st March, 2011 Rs. in lacs	Period ended 31st March, 2010 Rs. in lacs
<b>28. COMPUTATION OF NET PROFIT UNDER SECTION 349 READ WITH SECTION 198 OF THE COMPANIES ACT, 1956.</b>		
Profit before Tax	<b>60,545.86</b>	96,790.84
Add :		
Managerial Remuneration	503.10	527.90
Industrial Promotion Subsidy	1,466.78	-
Provision for Doubtful debts	(22.49)	257.01
Directors' Meeting Fees	9.00	12.00
Net Profit for the year	<b>62,502.25</b>	<b>97,587.75</b>
Commission @ 2 % to Managing Directors	1,250.05	1,951.76
Maximum Commission payable restricted to 100 % of salary as approved by shareholders	179.10	188.10
Commission Payable	179.10	188.10
<b>29. Earning per share (EPS) :</b>		
<b>Basic and Diluted</b>		
Profit before tax and excluding Extra ordinary Item	60,545.86	96,790.84
Less: Tax on ordinary activites	14,139.25	24,474.02
Less: Adjustments for tax & depreciation of earlier years	250.55	(718.64)
Profit after tax and excluding extra ordinary item	<b>46,156.06</b>	73,035.46
Less: Preference dividend including tax thereon	416.31	1,144.74
Profit attributable to Equity Shareholders - Basic (A)	<b>45,739.75</b>	71,890.72
Interest on FCCB (Net of Taxes)	1,202.44	1,934.21
Profit attributable to Equity Shareholders - Diluted (B)	<b>46,942.19</b>	73,824.93
Weighted Average No of Shares issued for Basic EPS (C)	276,031,365	266,183,601
Weighted Average No of Shares issued for Diluted EPS (D)	<b>293,471,180</b>	293,840,046
Earning per share (on face value of Rs. 2/each)		
Basic = A/C	16.57	27.01
Diluted = B/D	16.00	25.12



## Financial Statements

### 30. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 3 & 4 OF PART II OF THE SCHEDULE VI OF THE COMPANIES ACT, 1956.

#### A) INSTALLED CAPACITY AND PRODUCTION

Description	Unit	Installed capacity per Annum		Production	
		Year ended 31st March, 2011	Period ended 31st March, 2010	Year ended 31st March, 2011	Period ended 31st March, 2010
(a) Iron & Steel Pipes	MT	2,260,000	2,260,000	692,309	1,056,884
(b) Anti-Corrosion Coating on Pipes	Sq.Mtr	12,000,000	10,000,000	4,255,903	4,437,401
(c) Pig Iron	MT	200,000	200,000	375	1,251
(d) Power	KWH in lacs	1971	1971	938	934

#### NOTES:

- I. The above production also includes goods manufactured for outside parties on job work basis as follows:

Unit	Year ended 31st March, 2011	Period ended 31st March, 2010	
i) Steel Pipes	MT	2,117	1,869

2. Above Production includes production before start of Commercial production.  
 3. The above production of Anti Corrosion coating of Pipes includes the coating done for Steel Pipes Division  
 4. Licensed capacity is not applicable in view of the Company's products having been delicensed as per the Liberalised Licensing Policy announced by the Govt. of India.  
 5. Installed capacity is as certified by the management.  
 6. The above production of Power includes Captive consumption of 898 lacs KWH (Previous period 934 lacs KWH).

#### B) RAW MATERIAL CONSUMPTION / SOLD

Unit	Year ended 31st March, 2011		Period ended 31st March, 2010	
	Qty	Rs. in lacs	Qty	Rs. in lacs
Steel Plates/Coils	MT	311,140	114,287.55	574,868
Steel Pipes	MT	-	-	13,417
Round Billets	MT	150,050	48,884.82	137,107
Coating Material*			18,293.86	26,769.82
Coal/ Coke/fines	MT	280,602	29,046.92	317,588
Iron ore/fines	MT	514,278	28,259.00	438,033
Others		-	8,054.82	-
<b>Net Consumption</b>		<b>246,826.97</b>		<b>409,798.68</b>
<b>TRADING GOODS PURCHASE</b>				
Steel Plates and pipes	MT	961	181.43	102
Others			3,030.87	3,915.70
<b>Total</b>		<b>3,212.30</b>		<b>3,946.31</b>
		<b>250,039.27</b>		<b>413,744.99</b>

\*Quantity of consumption of coating material has not been given since their unit of measurement are different.



## Financial Statements

### C) QUANTITATIVE INFORMATION OF FINISHED GOODS STOCKS

Unit	Opening Stock as at 01st Jan., 2009		Closing Stock as at 31st March, 2010 and Opening Stock as at 01st April, 2010		Closing Stock as at 31st March, 2011	
	Qty	Rs. in lacs	Qty	Rs. in lacs	Qty	Rs. in lacs
<b>Finished Goods:</b>						
Iron & Steel Pipes	MT	35099	22,094.47	77351	27,793.41	43584
Pig Iron	MT	9222	2,285.80	2125	428.57	2500
Others	MT	-	400.06	-	340.16	-
			<u>24,780.33</u>		<u>28,562.14</u>	
						<u>21,448.56</u>

### D) SALES

Unit	Year ended 31st March, 2011		Period ended 31st March, 2010	
	Qty	Rs. in lacs	Qty	Rs. in lacs
<b>Manufactured goods</b>				
Iron & Steel Pipes	MT	723,959	393,969.97	1,012,762
Steel Plates / Coils	MT	945	224.39	102
Pig Iron	MT	-	-	6,853
Scrap			13,213.15	14,791.89
Others			2,966.75	2,544.77
			<u>410,374.26</u>	<u>669,821.54</u>
Sales includes the following goods used captive consumption				
Iron & Steel Pipes		44	19.68	644
Others			41.00	339.12
			<u>60.68</u>	<u>660.06</u>

### E) C.I.F. Value of Imports

	Year ended 31st March, 2011 Rs. in lacs	Period ended 31st March, 2010 Rs. in lacs		
	%	Rs. in lacs	%	Rs. in lacs
Raw Materials		213,852.61		237,839.18
Stores & Spares		3,916.50		2,550.56
Capital Goods		5,073.55		9,735.09

### F) BREAK UP OF THE CONSUMPTION OF RAW MATERIALS AND STORES AND SPARES INTO IMPORTED AND INDIGENOUS

	Year ended 31st March, 2011		Period ended 31st March, 2010	
	%	Rs. in lacs	%	Rs. in lacs
a) Raw Materials*				
Imported	56.24	138,826.30	69.80	286,024.83
Indigenous	43.76	108,000.67	30.20	123,773.85
	<u>100.00</u>	<u>246,826.97</u>	<u>100.00</u>	<u>409,798.68</u>
b) Stores & Spares				
Imported	19.38	2,904.58	26.44	4,239.76
Indigenous	80.62	12,083.02	73.56	11,797.79
	<u>100.00</u>	<u>14,987.60</u>	<u>100.00</u>	<u>16,037.55</u>

\* excluding figure of purchase for resale Rs. 3,212.30 lacs ( Previous period Rs. 3,946.31 lacs)



## Financial Statements

	Year ended 31st March, 2011 Rs. in lacs	Period ended 31st March, 2010 Rs. in lacs
<b>G) EXPENDITURE IN FOREIGN CURRENCY</b>		
Travelling	106.19	138.37
Interest & Bank Charges	2,527.21	3,065.48
Commission on Sale	2,688.48	6,645.73
Fees and subscription	56.60	21.34
Legal & Professional	191.56	395.85
Sales Promotion	58.07	106.64
Carriage Outward (Net of recoveries)	8,261.73	9,516.96
Reimbursement of Overseas Branch	137.77	1,290.30
Others	12.30	104.58
<b>H) EARNING IN FOREIGN CURRENCY</b>		
F.O.B. Value of Exports	157,924.93	259,160.66
Revenue from Overseas Branch	-	352.24
Interest	224.13	377.03
Conversion Charges	27.80	-
Carbon Credits	599.52	-
Others	7.80	-
<b>I) REMITTANCE OF FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND:</b>		
a) Financial year to which dividend relates	2009-10	2008
b) No. of NRI shares holders	43	44
c) No. of shares held	61,774,235	9,758,350
d) Net amount of dividend remitted -Net of Tax (Rs. in lacs)	772.18	487.92

31. Previous period figures have been regrouped / rearranged wherever considered necessary. Current Year figures of Profit & Loss Account are not comparable with Previous Period as the Previous Period figures are for fifteen months from 01st January, 2009 to 31st March, 2010.  
 32. Schedule I to 2I are annexed and form integral part of Balance Sheet and Profit and Loss Account.

As per our report of even date attached

For **N.C.AGGARWAL & CO.**  
Chartered Accountants  
Firm Registration No. 003273N

**N.C.Aggarwal**  
PARTNER  
M.No. 005951  
PLACE : NEW DELHI  
DATED : 12th August 2011

**SUNIL JAIN**  
Company Secretary

**H.S. CHAUDHARY**  
Wholetime Director

**SMINU JINDAL**  
Managing Director

**N.K.AGARWAL**  
Vice President  
(Corp. Accounts & Taxation)



**Balance Sheet Abstract and Companies Business Profile Pursuant to Part IV of Schedule VI to the Companies Act, 1956**

**1 Registration Details**

Registration No	23979	State Code 20	Balance Sheet 31.03.2011
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**2 Capital Raised During the Year ( Rs. In thousands)**

Public Issue	Nil
Bonus Issue	Nil
Rights Issue	Nil
Private Placements	5,224.00

**3 Position of mobilisation and deployment of funds (Rs. in thousands)**

Total Liabilities	58,594,950	Total Assets	58,594,950
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**Sources of Funds:**

Paid up Capital	552,458	Reserves and Surplus	39,659,416
Secured Loans	7,857,624	Unsecured Loans	8,258,974
Deferred Tax Liability	2,266,478		

**Application of Funds:**

Net Fixed Assets	23,507,392	Investments	6,543,084
Net Current Assets	28,544,474		

**4 Performance of the Company (Rs. In thousands)**

Gross Turnover	43,452,619	Total Expenditure	36,324,082
Net Turnover	41,879,465		
Profit before Tax	6,054,586	Profit After Tax	4,640,661

Earning per share (on Face Value of Rs. 2/- each)

Basic	16.57
Diluted	16.00
Dividend Rate	50%

**5 Generic Name of three principal products of the Company**

Product Description	Item Code No
I) Steel Pipe	7304.90/7305.90



**Statement Pursuant to exemption under Section 212(8) of Companies Act, 1956 relating to Subsidiary Companies**

S. No	Name of the Subsidiary Company	Capital including Share Application Money	Reserve (Net of Accumulated Losses)	Total Assets	Total Liabilities (Outside)	Investment included in Total Assets (other than in Subsidiaries)	Turnover/ Total Income	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
1	Jindal ITF Limited	Rs. in lacs	36,111.24	15,482.12	72,005.87	20,412.51	-	165.12	(224.86)	-	Nil
2	IUP Jindal Metals and Alloys Ltd.	Rs. in lacs	1,400.00	962.82	11,672.14	9,309.32	-	12,282.66	(3.65)	93.31	Nil
3	Hexa Securities & Finance Company Limited	Rs. in lacs	2,550.00	805.24	25,253.60	21,898.37	7,441.52	1,776.81	1,732.00	361.50	1,370.50
4	S.V. Trading Limited	Rs. in lacs	870.68	15,306.30	16,407.32	20.35	-	265.13	204.39	-	204.39
5	Jindal Saw Holding FZE	USD Rs. in lacs	1,950.00 (25.49)	34,280.62 5,225.58	36,746.51 515,893	-	590.554	455.261	-	-	455.261
6	Hexa Tradex Limited	AED Rs. in lacs	44,590.500 (2,109.72)	43,043.984 (0.59)	57,456 4.55	0.14	-	-	(2,106.032)	-	(2,106.032)
7	Jindal Intellicom Limited	Rs. in lacs	500	1,091.00	1,276.57	3,367.56	999.99	1.50	3,926.36	(0.59)	Nil
8	JITF Water Infrastructure Limited	Rs. in lacs	377.40	1,840.09	13,407.66	11,190.17	512.78	12,777.10	400.71	14.45	386.27
9	JITF Urban Infrastructure Limited	Rs. in lacs	4,833.33	628.06	5,463.14	1.75	-	3.59	359.91	103.53	256.38
10	JITF Shipyards Limited	Rs. in lacs	2,260.00	1,115.76	5,514.08	2,138.32	-	23.36	21.86	3.25	18.61
11	Jindal Rail Infrastructure Limited	Rs. in lacs	2,434.03	1,293.46	11,018.27	7,290.78	1,000.00	-	-	-	Nil
12	JITF Waterways Limited	Rs. in lacs	42,761.33	(38.21)	67,652.99	24,929.86	18,065.52	10,222.66	(4,777.32)	(1,475.57)	(3,301.75)
13	JITF InfraLogistics Limited	Rs. in lacs	500	(0.91)	4.40	0.31	4.39	0.21	0.03	-	0.03
14	JITF Urban Infrastructure Services Limited	Rs. in lacs	500	(0.48)	487	0.36	-	-	(0.19)	-	Nil
15	Intellicom Insurance Advisors Ltd.	Rs. in lacs	15,00	(2.28)	13.14	0.42	-	-	-	-	Nil
16	JITF Water Infra (Naya Raipur) Ltd.	Rs. in lacs	500	(0.20)	2007.67	2,002.87	-	-	-	-	Nil
17	JITF ESPL CETP (Shargani) Ltd.	Rs. in lacs	286.39	197.44	1,228.48	744.65	0.25	0.02	(0.62)	-	(0.62)
18	Timarpur- Okhla Waste Management Company Private Ltd.	Rs. in lacs	5,283.17	107.29	20,747.10	15,356.65	438.68	29.92	14.10	0.96	13.14
19	Jindal Saw USA, LLC	USD AED	4,465.00 44,469.384	(2,508.41) (5,617,929.78)	14,061.17 31,491,971.22	12,104.57 27,109,901.00	-	4,716.92 10,508,894	3924 87,413	-	39.03 87,413
20	Jindal Saw Middle East FZC	Rs. in lacs	5,398.63	-	5,495.30	96.67	-	-	-	-	Nil
21	Raleel Holdings Limited	Rs. in lacs Euro	0.63 1,000.00	(7.06) (11,166.72)	780 12,330.54	14.23 22,497.26	-	-	(7.06) (11,166.72)	-	(7.06) (11,166.72)
22	Jindal Saw Italia S.r.l	Rs. in lacs	6.32	(0.78)	8.73	3.18	-	-	-	-	Nil
23	Jindal Saw Gulf LLC	Euro AED	10,000.00 17,057.081	(1,232.00) -	13,797.00 2,629.71	5,029.00 558.96	-	-	-	-	Nil

Note: 1. Exchange Rates as on 31.03.2011-1 US \$ = 44.65

2. Exchange Rates as on 31.03.2011-1 AED = 12.1401

3. Exchange Rates as on 31.03.2011-1 Euro = 63.24

4. Figures in brackets represents losses.



# Consolidated Financial Statements



## Auditors' Report On Consolidated Financial Statements

### AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF JINDAL SAW LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JINDAL SAW LIMITED, IT'S SUBSIDIARIES, AND JOINT VENTURES

We have examined the attached Consolidated Balance Sheet of Jindal Saw Limited ('the Company') and its subsidiaries and its Jointly controlled entities (Collectively referred as the 'Jindal Saw Group') as at 31st March, 2011, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year then ended.

1. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with generally accepted audit standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. (a) We did not audit the financial statements of subsidiaries (i) Hexa Securities & Financial Company Limited (HSFCL), Jindal Saw USA LLC (JSULLC), Jindal Intellicom Limited and Intellicom Insurance Advisors Limited, whose financial statement reflect total assets (net) as at 31st March, 2011 of Rs. 39,729.33 lacs, total revenues of Rs. 10,420.48 lacs and net cash outflow of Rs. 715.45 lacs and (ii) one Jointly controlled entity Jindal Sigma UK for the period from 26th July, 2010 to 31st December, 2010, whose financial statement include the Group's share of liability (Net of Assets) of Rs. 25.07 lacs, total revenue of Rs. 123.94 lacs and net cash inflow of Rs. 15.40 lacs for the year then ended (before adjustments on consolidation). These financial statements have been audited by other auditors of the company whose report has been furnished to us by the management and our opinion is based solely on the report of said auditors.  
(b) We did not audit the financial results of two subsidiaries Hexa Tradex Limited, and Jindal Saw Italia, S.r.l whose unaudited financial statements reflect total assets (net) of Rs. 9.95 lacs as at 31st March, 2011 and total revenue of Rs. 2.22 lacs and net cash inflow of Rs. 10.87 lacs for the year then ended. The said financial statements, which were furnished to us by the management, were unaudited. We are unable to express an opinion on true and fair view in so far as it relates to amounts considered in the consolidated financial statement for the reason as stated above.
3. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and AS-27- Financial Reporting of interest in Joint Ventures issued by the Institute of Chartered Accountants of India notified under sub-section (3C) of Section 211 of the Companies Act, 1956 of India.

Based on our audit, consideration of reports of other auditors and certification by management on unaudited companies, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Jindal Saw Group as at 31st March, 2011.
- b) In case of the Consolidated Profit and Loss Account, of the profit of the Jindal Saw Group for the year ended on that date.
- c) In the case of the Consolidated Cash Flow statement, of the consolidated cash flows of the Jindal Saw Group for the year ended on that date.

For & on behalf of  
**N.C. AGGARWAL & CO.**  
Chartered Accountants  
Firm Regn. No. 003273N

Place : New Delhi  
Dated : 12th August, 2011

**N.C. Aggarwal**  
Partner  
M.No. 005951



## Consolidated Balance Sheet As At 31st March 2011

DESCRIPTION	SCHEDULE	As At 31st March, 2011 Rs. in lacs	As At 31st March, 2010 Rs. in lacs
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	5,524.58	15,472.34
Reserves and Surplus	2	401,417.61	353,232.61
		406,942.19	368,704.95
<b>MINORITY INTEREST</b>		2,200.42	667.71
<b>DEFERRED TAX LIABILITY (NET)</b>		15,422.88	12,715.55
<b>LOAN FUNDS</b>			
Secured Loans	3	124,994.63	41,912.65
Unsecured Loans	4	103,956.08	66,153.32
		228,950.71	108,065.97
<b>Total</b>		653,516.20	490,154.18
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>	5		
Gross Block		318,471.94	294,792.16
Less : Depreciation		73,437.18	57,145.76
<b>Net Block</b>		245,034.76	237,646.40
Capital Work in Progress		82,191.41	36,682.25
		327,226.17	274,328.65
<b>INVESTMENTS</b>	6	27,566.69	32,568.41
<b>GOODWILL ON CONSOLIDATION</b>		4,799.36	2,420.75
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Inventories	7	170,635.28	80,708.07
Sundry Debtors	8	129,493.21	84,410.80
Cash and Bank Balances	9	21,187.55	59,915.28
Loans and Advances	10	83,748.12	56,843.85
		405,064.16	281,878.00
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>			
Current liabilities	11	104,875.22	91,838.91
Provisions	12	6,266.37	9,202.72
		111,141.59	101,041.63
<b>NET CURRENT ASSETS</b>		293,922.57	180,836.37
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	13	1.41	-
<b>Total</b>		653,516.20	490,154.18
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS</b>	22		

As per our report of even date attached

For **N.C.AGGARWAL & CO.**  
Chartered Accountants  
Firm Registration No. 003273N

**N.C.Aggarwal**  
PARTNER  
M.No. 005951

PLACE : NEW DELHI  
DATED : 12th August 2011

**SUNIL JAIN**  
Company Secretary

**H.S. CHAUDHARY**  
Wholetime Director

**SMINU JINDAL**  
Managing Director

**N.K.AGARWAL**  
Vice President  
(Corp. Accounts & Taxation)



## Consolidated Profit And Loss Account For The Year Ended 31st March, 2011

DESCRIPTION	SCHEDULE	Year Ended 31st March, 2011 Rs. in lacs	Period Ended 31st March, 2010 Rs. in lacs
<b>INCOME</b>			
Sales and Operational Income	14	474,652.52	731,459.81
Less: Excise Duty		16,845.98	20433.31
Other Income	15	457,806.54	711,026.50
Increase/(Decrease) in Stock	16	4,317.51	2,258.28
(Increase) / decrease in Excise Duty on stock		4,658.03	(21,859.79)
		(460.62)	(489.99)
		466,321.46	690,935.00
<b>EXPENDITURE</b>			
Cost of Material Consumed/Sold		262,528.44	422,385.07
Manufacturing Expenses	17	57,815.22	64,335.44
Employees Remuneration and Benefits	18	28,667.39	28,028.91
Administrative & Other Expenses	19	8,930.06	13,312.83
Selling Expenses	20	18,656.63	35,270.69
Finance Expenses	21	15,608.39	22,313.95
Provision on Standard Assets		43.48	-
Depreciation		16,397.26	16,223.17
Less: Transfer to Revaluation Reserve	19.00	16,378.26	368.56
		408,627.87	15,854.61
		57,693.59	601,501.50
<b>Profit before Taxation</b>			
Provision for			
-Current Income Tax		10,506.84	17,164.27
-Deferred Tax Liability		2,707.32	4,309.17
-Fringe Benefit Tax		-	31.76
-Wealth Tax		29.62	29.44
		13,243.78	21,534.64
		44,449.81	67,898.86
<b>Profit After Taxation but before Minority Interest</b>		<b>15.86</b>	<b>74.14</b>
Minority Interest in (Profit)/ Loss		44,465.67	67,973.00
Profit After Taxation & after Minority Interest		-	1,875.00
Debenture Redemption Reserve Written Back		-	118.23
Previous years' Depreciation Written Back		-	600.41
Previous years' Taxation Adjustments		(247.65)	23,566.93
Profit Brought Forward		22,538.33	-
Foreign Currency Translation Difference		2.17	-
<b>Disposable Profit</b>		<b>66,758.52</b>	<b>94,133.57</b>
<b>APPROPRIATIONS</b>			
Interim Dividend paid on Preference shares		357.01	944.15
Corporate Tax on Above		59.30	160.46
Proposed Dividend :			
- on Equity Shares		2,762.28	3,452.84
- on Preference Shares		-	34.41
Corporate Tax on Proposed Dividends		448.11	579.19
General Reserve		40,000.00	71,237.72
Capital Redemption reserve		10,000.00	-
Transferred to (Goodwill) Capital Reserve		(2,327.09)	(4,924.70)
Statutory Reserve		282.80	111.17
Balance Carried to Balance Sheet		15,176.11	22,538.33
		66,758.52	94,133.57
<b>Earning per share (On face value of Rs. 2/ each)</b>			
Basic		15.87	25.35
Diluted		15.34	23.62
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	22		
AND NOTES TO THE ACCOUNTS			

As per our report of even date attached

For **N.C.AGGARWAL & CO.**

Chartered Accountants

Firm Registration No. 003273N

**N.C.Aggarwal**

PARTNER

M.No. 005951

PLACE : NEW DELHI

DATED : 12th August 2011

**H.S. CHAUDHARY**  
Wholetime Director

**SMINU JINDAL**  
Managing Director

**SUNIL JAIN**  
Company Secretary

**N.K.AGARWAL**  
Vice President  
(Corp. Accounts & Taxation)



## Consolidated Cash Flow Statement For The Year Ended 31st March, 2011

PARTICULARS	Year Ended 31st March, 2011 Rs. in lacs	Period Ended 31st March, 2010 Rs. in lacs
<b>A. CASH INFLOW/(OUTFLOW) FROM THE OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX	57,693.59	89,433.50
Adjustments for:		
Add/(Less):		
Depreciation	16,378.26	15,854.61
Dividend Received	(201.32)	(57.21)
Interest Paid	7,311.10	10,334.22
(Profit)/Loss on sale of fixed assets	46.00	(8.09)
Provision for Doubtful Debts	90.99	1,026.94
Provision for Doubtful Debts Written Bank	(32.56)	(825.33)
Liquidity Damages/ Bad Debts	270.18	3,055.41
Profit on Sale of Investments	(1,705.95)	(550.29)
Provision for Standard Assets	43.48	-
Unrecoverable Advances Written off	-	616.83
Provision no longer required	(267.21)	(345.87)
Effect of Unrealised Foreign Exchange (Gain)/Loss	376.20	(2,931.95)
Interest Received	(2,587.88)	(3,478.33)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	19,721.29	22,690.94
Adjustments for:-		
Inventories	(89,927.21)	84,630.20
Sundry debtors	(45,763.35)	38,029.89
Other current assets	(19,654.85)	(2,772.18)
Current liabilities	13,686.33	(45,444.19)
CASH GENERATED FROM OPERATIONS	(64,244.20)	186,568.16
Tax Paid	(15,639.13)	(17,091.17)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	(79,883.33)	169,476.99
<b>B. CASH INFLOW/(OUTFLOW) FROM INVESTMENT ACTIVITIES</b>		
(Increase)/Decrease in Investment	6,707.67	(24,107.76)
Capital expenditure	(68,764.95)	(64,081.54)
Sale proceeds of fixed assets	550.97	209.81
Movement of Loan & Advances	(686.67)	(21,248.23)
Interest Received	2,669.51	4,277.87
Dividend Received	205.63	57.21
NET CASH INFLOW/(OUTFLOW)FROM INVESTING ACTIVITIES	(59,317.84)	(104,892.64)
<b>C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>		
Dividend paid including Tax	(4,457.35)	(4,386.03)
Interest paid	(6,829.70)	(8,648.29)
Proceeds from Equity Share Capital including Securities Premium	-	21,301.34
Redemption of Preference Share Capital	(10,000.00)	-
Movement of Working Capital loans from banks	42,893.65	(48,830.91)
Increase/(Decrease) in secured loan	40,003.26	2,145.58
Increase/(Decrease) in Compulsory Convertible Debentures	-	(22,358.70)
Increase/(Decrease) in fixed deposits	884.84	803.78
Increase/(Decrease) in unsecured loan	37,956.79	(476.23)
NET CASH INFLOW/(OUTFLOW) USED IN FINANCING ACTIVITIES	100,451.48	(60,449.46)
NET CHANGES IN CASH & CASH EQUIVALENT	(38,749.69)	4,134.89
Cash and cash equivalent as at 01.04.2010 (opening balance)	59,915.28	56,638.08
Exchange difference on translation of Foreign Currency cash and cash equivalent	21.96	(857.69)
<b>Cash and cash equivalent as at 31.03.2011 (Closing balance)</b>	<b>21,187.55</b>	<b>59,915.28</b>

NOTE: 1. Increase in secured and unsecured loans are shown net of repayments.  
 2. Purchase of fixed assets includes movements of Capital Work-in-progress between the beginning and end of the Year  
 3. Previous period's figures have been regrouped wherever necessary.

As per our report of even date attached

For N.C.AGGARWAL & CO.  
Chartered Accountants  
Firm Registration No. 003273N

N.C.Aggarwal  
PARTNER  
M.No. 005951

PLACE : NEW DELHI  
DATED : 12th August 2011

SUNIL JAIN  
Company Secretary

H.S. CHAUDHARY  
Wholetime Director

SMINU JINDAL  
Managing Director

N.K.AGARWAL  
Vice President  
(Corp. Accounts & Taxation)



## Consolidated Financial Statements

DESCRIPTION	As At 31st March, 2011 Rs. in lacs	As At 31st March, 2010 Rs. in lacs
<b>SCHEDULE "I"</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
i) 500,000,000 Equity Shares of Rs. 2/- Each	10,000.00	10,000.00
ii) 10,000,000 Redeemable Non Convertible Cumulative Preference Shares of Rs. 100/- each	10,000.00	10,000.00
	<b>20,000.00</b>	<b>20,000.00</b>
<b>ISSUED AND SUBSCRIBED</b>		
i) 276,230,771 (Previous period 273,618,735) Equity Shares of Rs. 2/- Each	<b>5,524.62</b>	5,472.37
ii) 10,000,000 - 7.85 % Redeemable Non convertible Cumulative Preference Shares of Rs.100/- each (refer note 4 below)	-	10,000.00
	<b>5,524.62</b>	<b>15,472.37</b>
<b>PAID UP</b>		
i) 276,226,771 (Previous period 273,614,735) Equity Shares of Rs. 2/- Each Add: Forfeited 4,000 (Previous period 4,000) Equity shares of Rs. 2/- each (Partly Paid up Rs.1 each)	<b>5,524.54</b>  0.04	5,472.30  0.04
ii) 10,000,000 - 7.85 % Redeemable Non convertible Cumulative Preference Shares of Rs.100/- each (refer note 4 below)	-	10,000.00
	<b>5,524.58</b>	<b>15,472.34</b>

### NOTES:

1. OF THE ABOVE EQUITY SHARES
  - a) 10,040,000 & 33,069,680 were allotted pursuant to contract and schemes of Amalgamation respectively without payment being received in cash.
  - b) 128,980,860 were allotted as bonus shares by capitalising Reserves and Securities Premium.
  - c) 3,250 shares have been held in abeyance and not allotted as a result of attachment orders by Govt. authorities, lost share certificates and other disputes.
2. During the year, 8,932 Foreign Currency Convertible Bonds were converted into 2,612,036 equity shares of Rs. 2/- each at the option of Bondholders.
3. Options on Un-issued Share Capital
 

Foreign Currency Convertible Bond holders holding bonds for aggregate amount of JPY 5,896,800,000 can convert the same upto 24.06.2011 into equity shares of Rs.2/- each at conversion price of Rs.135/- per equity share with a fixed rate of exchange on conversion of JPY 2.533=Re.1.00 (after adjustment as per terms & conditions of issue of Bonds)
4. Preference Shares have been redeemed during the year.



## Consolidated Financial Statements

	As At 31st March, 2010 Rs. in lacs	Additions during the year Rs. in lacs	Transfer/ Deductions Rs. in lacs	As At 31st March, 2011 Rs. in lacs
<b>SCHEDULE "2"</b>				
<b>RESERVES AND SURPLUS</b>				
(i) Capital Reserve*	2,138.90	1,466.78	-	3,605.68
(ii) Capital Redemption Reserve	1,500.00	10,000.00	-	11,500.00
(iii) General Reserve	250,055.46	40,000.00	-	290,055.46
(iv) Securities Premium Account	72,554.84	3,963.46	-	76,518.30
(v) Statutory Reserve	384.74	282.80	-	667.54
(vi) Revaluation Reserve	491.41	-	19.00	472.41
(vii) Foreign Currency Translation Reserve	3,568.93	-	146.82	3,422.11
(viii) Profit and Loss Account	22,538.33	44,465.67	51,827.89	15,176.11
Total	<u>353,232.61</u>	<u>100,178.71</u>	<u>51,993.71</u>	<u>401,417.61</u>
Previous Period	<u>265,541.23</u>	<u>204,387.42</u>	<u>116,696.04</u>	<u>353,232.61</u>

\* Refer Note No. 6 of Schedule 22

DESCRIPTION	As At 31st March, 2011 Rs. in lacs	As At 31st March, 2010 Rs. in lacs
<b>SCHEDULE "3"</b>		
<b>SECURED LOANS</b>		
A. Term Loan		
(i) From Banks	<b>33,736.18</b>	36,299.32
(ii) From Financial institutions	<b>291.01</b>	262.30
B. Working Capital Loan from Banks	<b>45,558.74</b>	2,665.09
C. Buyer Credit from Banks	<b>33,271.50</b>	-
D. External Commercial Borrowing	<b>12,137.10</b>	2,685.11
E. Interest accrued and due	<b>0.10</b>	0.83
	<b><u>124,994.63</u></b>	<u>41,912.65</u>

### NOTES

#### A. Term Loan from Banks and Financial Institutions include:

- (i) Loans of Rs. 23.95 lacs (Previous Period Rs. 53.24 lacs ) for purchase of vehicles are secured by way of hypothecation of vehicles.
- (ii) Loans of Rs. 10,902.11 lacs (Previous Period Rs. 10,166.61 lacs) which are secured by way of mortgage of Company's immovable properties and hypothecation of moveable assets (save and except book debts) both present and future, subject to charges created / to be created in favour of Company's bankers for securing Working Capital Facilities.
- (iii) Housing loan of Rs. 31.16 lacs (Previous Period Rs. 466.13 lacs ) which is secured by way of exclusive charge on the Company's House Property situated in Delhi.
- (iv) Loan of Rs. 23,069.97 lacs ( Previous Period Rs. 25,875.64 lacs ) are secured by way of hypothecation of Ships and Barge.

Out of above, Loans of Rs. 3,386.96 lacs (Previous Period Rs. 7,133.13 lacs) are secured against personal guarantees of directors.

#### B. Working Capital Loans and buyer credit are secured/to be secured by hypothecation of finished goods, raw-materials, work-in-progress, stores and spares, book debts and secured / to be secured by second charge in respect of other moveable and immoveable properties of the Company.

#### C. External Commercial Borrowings are secured by pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable assets (save and except book debts) both present and future, except those charged in favour of Company's bankers for securing Working Capital Facilities. These are also guaranteed by Director(s).



## Consolidated Financial Statements

DESCRIPTION	As At 31st March, 2011 Rs. in lacs	As At 31st March, 2010 Rs. in lacs
<b>SCHEDULE "4"</b>		
<b>UNSECURED LOANS</b>		
(i) Application Money for 9.25 % Compulsorily Convertible Debentures (CCDs)	20,000.00	-
(ii) Fixed Deposits	4,404.57	3,519.73
(iii) Deferred Sales Tax loans	5,983.88	7,180.03
(iv) Bills Discounting from Bank	5,358.00	-
(v) Buyer Credit from Banks	34,988.77	-
(vi) External Commercial Borrowing	-	21,193.83
(vii) Foreign Currency Convertible Bonds	31,854.52	32,893.39
(viii) Zero Coupon Optionally Convertible Bonds	1,300.00	1,300.00
(ix) Interest accrued and due	66.34	66.34
	<b>103,956.08</b>	<b>66,153.32</b>

**Notes:**

- (i) CCDs to be issued by Jindal ITF Limited are compulsorily convertible within five years with call option by the promoter of the Company ( Jindal Saw Limited ) to buy back CCDs at premium of 1% of the paid up value of the CCDs. The CCDs also carry put option by the financial institutions to require the promoter for buy back CCDs upto the tenure period of CCDs.
- (ii) CCDs also have an conversion clause into equity share in the event of IPO by the company or its subsidiaries so as to give an IRR of 14 % per annum on CCDs.
- (iii) Deferred Sales Tax loans amounting to Rs. 2,122.99 lacs are guaranteed by one of the Director.
- (iv) External Commercial Borrowing were repaid on 29th September 2010.
- (v) The Foreign Currency Convertible Bonds (FCCB) are convertible at any time upto the close of business on 24th June, 2011 by holders of the Bonds into newly issued equity shares of Rs. 2 each of the company at the option of the Bondholder, at a base conversion price of Rs. 135 per share with a fixed rate of exchange on conversion of JPY 2,533 = Rs. 1.00 after adjustments as per terms & conditions of issue of bonds and same have since been redeemed on 29th June, 2011.
- (vi) Zero Coupan 1,300,000 Optionally Convertible Bonds ( Bonds ) of Rs. 100 each aggregating to Rs. 1,300 lacs issued on 01.10.2005 have an option to convert each bond into one equity share of Rs. 10/- each of the company (Hexa Securities & Finance Co. Limited) at the rate of Rs. 80/- per share any time upto the period of 10 years from the date of allotment.

**SCHEDULE "5"**

**FIXED ASSETS**

Rs. in lacs

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01.04.10	Additions	Deduction/ Adjustments	As At 31.03.11	Upto 31.03.10	During The Year	Deduction/ Adjustments	Depreciation of Previous Years Written Back	Upto 31.03.11	As At 31.03.11
<b>Tangible Assets:</b>										
Land										
- Free hold	7,465.39	295.59	22.42	<b>7,738.56</b>	-	-	-	-	<b>7,738.56</b>	7,465.39
- Lease hold	855.65	238.97	-	<b>1,094.62</b>	107.97	10.46	-	-	<b>118.43</b>	<b>976.19</b>
Lease Hold Improvements	7.87	-	-	<b>7.87</b>	7.87	-	-	-	<b>7.87</b>	-
Buildings	35,050.75	2,975.57	151.51	<b>37,874.81</b>	3,860.58	1,010.10	5.19	-	<b>4,865.49</b>	<b>33,009.32</b>
Plant & Machinery	216,665.92	16,188.55	330.68	<b>232,523.79</b>	50,079.38	13,437.68	48.30	-	<b>63,468.76</b>	<b>169,055.03</b>
Vehicles	1,644.00	594.09	146.23	<b>2,091.86</b>	549.10	193.14	63.49	-	<b>678.75</b>	<b>1,413.11</b>
Furniture & Fixtures	1,358.63	162.85	17.71	<b>1,503.77</b>	440.95	90.73	1.76	-	<b>529.92</b>	<b>973.85</b>
Vessels	31,200.57	3,190.66	47.16	<b>34,344.07</b>	2,032.06	1,600.49	-	-	<b>3,632.55</b>	<b>30,711.52</b>
Barge	447.60	-	-	<b>447.60</b>	32.31	14.95	-	-	<b>47.26</b>	<b>400.34</b>
<b>Intangible Assets</b>										
Computer Software	95.78	749.21	-	<b>844.99</b>	35.54	52.61	-	-	<b>88.15</b>	<b>756.84</b>
<b>TOTAL</b>	<b>294,792.16</b>	<b>24,395.49</b>	<b>715.71</b>	<b>318,471.94</b>	<b>57,145.76</b>	<b>16,410.16</b>	<b>118.74</b>	-	<b>73,437.18</b>	<b>245,034.76</b>
Previous Period	186,626.80	108,540.90	375.54	<b>294,792.16</b>	41,212.25	16,225.56	173.82	118.23	<b>57,145.76</b>	<b>237,646.40</b>

**NOTES:**

A) Gross Block includes the following amount on account of revaluation made on 31.03.1996 of Pipe Division at Kosi Kalan at Net current Residual Replacement Value.

- I) Land
  - Freehold 7.38 lacs
  - Leasehold 143.59 lacs
- II) Building 548.34 lacs
- III) Plant & Machinery 3,916.96 lacs

B) Free hold Lands includes Rs.1,800 lacs, conveyance deed for which is yet to be excuted.

C) Depreciation during the year includes Depreciation Capitalized during Pre-operative Stage amounting to Rs. 12.90 lacs (Previous period Rs. 2.39 lacs)



## Consolidated Financial Statements

DESCRIPTION	As At 31st March, 2011 Rs. in lacs	As At 31st March, 2010 Rs. in lacs
<b>SCHEDULE "6"</b>		
<b>INVESTMENTS</b>		
(i) Quoted Shares	7,394.12	7,394.12
(ii) Unquoted Shares	1,041.20	41.20
(iii) Share Application Money (Unquoted Shares)	48.00	1,048.00
(iv) Govt & Trust Securities	0.35	243.20
(v) Mutual Funds	19,083.02	23,841.89
<b>Total</b>	<b>27,566.69</b>	<b>32,568.41</b>
Aggregate Market Value of Quoted Investments	302,996.88	314,713.36
<b>SCHEDULE "7"</b>		
<b>INVENTORIES</b>		
(Taken, valued and certified by the management )		
i) Stores and Spares	13,413.99	8,400.46
ii) Loose Tools	356.87	206.39
iii) Finished goods	21,949.93	28,701.16
iv) Work in Progress	23,657.30	13,342.71
v) Raw Materials*	108,437.68	28,903.60
vi) Scrap	1,969.30	874.63
vii) Fuel oils - Vessels	850.21	279.12
	<b>170,635.28</b>	<b>80,708.07</b>
* Includes Raw Material in Transit of Rs. 27,977.88 lacs (Previous Period Rs. 6,316.31 lacs)		
<b>SCHEDULE "8"</b>		
<b>SUNDAY DEBTORS</b>		
(Unsecured, considered good)		
i) Exceeding six months		
a) Considered good		
b) Considered doubtful	2,592.28	2,538.87
Less: Provision for doubtful debts	2,592.28	2,538.87
ii) Others		
a) Considered good		
b) Considered doubtful	5.03	107,100.47
Less: Provision for doubtful debts	5.03	62,925.28
	<b>129,493.21</b>	<b>84,410.80</b>



## Consolidated Financial Statements

DESCRIPTION	As At 31st March, 2011 Rs. in lacs	As At 31st March, 2010 Rs. in lacs
<b>SCHEDULE "9"</b>		
<b>CASH AND BANK BALANCES</b>		
i) Cash on hand	<b>95.26</b>	29.76
ii) Bank Balance With Scheduled banks		
- In Current Accounts	<b>11,922.01</b>	7,372.97
- In Fixed Deposit Account*	<b>8,457.45</b>	52,315.25
- Margin Money	<b>663.12</b>	197.30
iii) Bank Balance With Unscheduled banks		
- In Current Accounts with		
Amegy Bank, USA	34.31	
HSBC Bank, London	<u>15.40</u>	<b>49.71</b>
(Amegy Bank, USA: Maximum Balance outstanding during the year Rs. 341.24 lacs(Previous Period -Rs. 2,786.98 lacs) & HSBC Bank, London Branch : Maximum Balance outstanding during the year Rs. 90.16 lacs ( Previous Period Nil).		-
	<b>21,187.55</b>	<b>59,915.28</b>
* This includes Rs. 3,755.94 lacs (Previous period Rs.10,970.95 lacs) on account of balance unutilized money out of FCCB issue & Rs. 3,410.54 lacs (previous period Rs. 2,006.24 lacs) pledged with banks against margin for Bank Guarantees/ with Govt. departments etc.		
<b>SCHEDULE "10"</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
i) Advances recoverable in cash or in kind or for value to be received	<b>45,483.98</b>	21,080.77
ii) Eamest money and Security deposits	<b>4,021.41</b>	4,179.42
iii) Balance with Excise,Customs and Port Authorities etc.	<b>415.87</b>	600.50
iv) Inter Corporate Loans	<b>26,948.73</b>	26,259.55
v) Interest Accrued on Loans and Advances	<b>29.13</b>	73.80
vi) Export Benefits/Govt. Grants Receivables	<b>5,071.78</b>	4,649.81
vii) Prepaid Taxes ( Net of Provisions for tax)	<b>1,777.22</b>	-
	<b>83,748.12</b>	<b>56,843.85</b>
<b>SCHEDULE "11"</b>		
<b>CURRENT LIABILITIES</b>		
i) Acceptances	<b>6,270.78</b>	38,994.07
ii) Sundry Creditors		
- to micro and small enterprises	<b>49.64</b>	20.26
- to others	<b>34,991.57</b>	28,750.08
iii) Advance from Customers	<b>43,859.47</b>	7,017.85
iv) Interest Accrued but not due	<b>6,139.21</b>	4,804.12
v) Other Liabilities	<b>13,316.51</b>	12,029.89
vi) Unclaimed Dividend*	<b>248.04</b>	222.64
* There is no amount due & outstanding to be credited to Investor's Education and Protection fund u/s 205 C of the Companies Act, 1956.	<b>104,875.22</b>	<b>91,838.91</b>



## Consolidated Financial Statements

DESCRIPTION	As At 31st March, 2011 Rs. in lacs	As At 31st March, 2010 Rs. in lacs
<b>SCHEDULE "I2"</b>		
<b>PROVISIONS</b>		
Taxation (Net of Prepaid Taxes)	-	3,077.80
Proposed Dividend	2,762.28	3,487.25
Corporate Dividend Tax	448.11	579.19
Leave Encashment	2,000.72	1,430.36
Gratuity	1,011.78	628.12
On Standard Assets	43.48	-
	<b>6,266.37</b>	<b>9,202.72</b>
<b>SCHEDULE "I3"</b>		
<b>MISCELLANEOUS EXPENDITURE</b> (to the extent not written off or adjusted)		
i) Preliminary Expenses	1.41	-
	<b>1.41</b>	<b>-</b>
<b>SCHEDULE "I4"</b>		
<b>SALES AND OPERATIONAL INCOME</b>		
i) Sales	429,790.29	687,717.89
ii) Conversion Charges	26,804.33	17,953.92
iii) Govt. Incentive/ Grant	2,645.42	14,294.32
iv) Interest Income [TDS Rs. 105.37 lacs (Previous Period - Rs. 74.69 lacs)]	1,176.64	2,057.65
v) Dividend on Long Term Investments	718.74	392.64
vi) Cargo Freight Charges	9,839.94	6,073.87
vii) Operation and Maintenance Income	92.60	-
viii) Erection & Commissioning	3,584.56	2,969.52
	<b>474,652.52</b>	<b>731,459.81</b>
<b>SCHEDULE "I5"</b>		
<b>OTHER INCOME</b>		
Dividend on Long Term investment	0.13	0.01
Dividend on Current Investment	201.19	57.20
Profit On Sales of Current Investments	1,705.95	553.48
Miscellaneous Receipts	2,143.03	1,301.72
Provisions no longer required written back	267.21	345.87
	<b>4,317.51</b>	<b>2,258.28</b>



## Consolidated Financial Statements

	Year Ended 31st March, 2011 (Rs. in lacs)	Period Ended 31st March, 2010 (Rs. in lacs)
<b>SCHEDULE "I6"</b>		
<b>INCREASE / (DECREASE) IN STOCK</b>		
<b>OPENING STOCK</b>		
Finished Goods	28,701.16	24,971.03
Work in progress	13,342.71	35,462.08
Scrap	874.63	4,345.18
	<b>42,918.50</b>	<b>64,778.29</b>
<b>CLOSING STOCK</b>		
Finished Goods	21,949.93	28,701.16
Work in progress	23,657.30	13,342.71
Scrap	1,969.30	874.63
	<b>47,576.53</b>	<b>42,918.50</b>
Increase/(Decrease) in Stock	4,658.03	(21,859.79)
<b>SCHEDULE "I7"</b>		
<b>MANUFACTURING AND OPERATIONAL EXPENSES</b>		
Stores and Spares	16,785.24	17,225.95
Power and Fuel	20,462.36	22,215.95
Outsourcing	3,639.15	7,220.11
Tele-communication Link / Process Expenses	330.48	390.97
Sub-Contract Expenses - Project	3,029.85	2,840.25
Ship Management Charges	550.60	787.78
Vessel and Containers Related Port Charges	2,898.81	2,497.20
Hiring Charges including containers	832.50	453.04
Other Manufacturing expenses	5,913.41	5,494.11
Repair and Maintenance:		
- Plant and Machinery	2,923.42	4,911.02
- Factory Building	449.40	299.06
	<b>57,815.22</b>	<b>64,335.44</b>
<b>SCHEDULE "I8"</b>		
<b>EMPLOYEES REMUNERATION AND BENEFITS</b>		
Salary, Wages and other Benefits	25,704.42	25,098.21
Contribution to Provident and other funds	1,737.97	1,618.09
Workmen and Staff Welfare	1,225.00	1,312.61
	<b>28,667.39</b>	<b>28,028.91</b>



## Consolidated Financial Statements

	Year Ended 31st March, 2011 (Rs. in lacs)	Period Ended 31st March, 2010 (Rs. in lacs)
<b>SCHEDULE "19"</b>		
<b>ADMINISTRATIVE AND OTHER EXPENSES</b>		
Rent	<b>338.19</b>	242.38
Rates & Taxes	<b>307.46</b>	352.32
Insurance	<b>702.27</b>	692.61
Postage, Telegrams & Telephones	<b>373.97</b>	420.69
Travelling & Conveyance	<b>1,704.43</b>	1,516.10
Legal & Professional	<b>1,876.77</b>	2,106.68
Vehicle upkeep & Maintenance	<b>240.88</b>	302.65
Directors' Meeting Fees	<b>9.45</b>	12.10
Charity and Donations	<b>122.74</b>	202.54
Miscellaneous Expenses	<b>2,748.21</b>	3,424.45
Liquidated Damages / Bad Debts	<b>270.18</b>	3,055.41
Urecoverable Advances Written off	<b>-</b>	616.83
Auditors' Remuneration	<b>38.84</b>	47.62
Cost Auditor's Remuneration	<b>9.31</b>	5.87
Previous Years' Adjustments (Net)	<b>82.93</b>	117.87
Provision for Doubtful Debts	<b>90.99</b>	1,026.94
Provision for Doubtful Debts written back	<b>(32.56)</b>	(825.33)
Loss on Sale of Fixed Assets	<b>57.69</b>	11.08
(Profit) on Sale of Fixed Assets	<b>(11.69)</b>	(19.17)
Loss on Sale of long term Investments	<b>-</b>	3.19
	<b>8,930.06</b>	<b>13,312.83</b>
<b>SCHEDULE "20"</b>		
<b>SELLING EXPENSES</b>		
Commission	<b>3,276.33</b>	8,557.13
Advertisement	<b>235.44</b>	159.21
Forwarding charges *	<b>13,434.55</b>	23,508.05
Other Selling Expenses	<b>1,710.31</b>	3,046.30
	<b>18,656.63</b>	<b>35,270.69</b>

\* Net of recoveries of Rs. 14,757.29 lacs (Previous Period Rs. 2,945.68 lacs)



## Consolidated Financial Statements

	Year Ended 31st March, 2011 (Rs. in lacs)	Period Ended 31st March, 2010 (Rs. in lacs)
<b>SCHEDULE "21"</b>		
<b>FINANCE EXPENSES</b>		
Interest on Fixed Deposits	<b>419.24</b>	339.21
Interest on Debentures	15.21	2,744.38
Interest on Term Loans	3,239.84	4,025.50
Interest on Bank Borrowings	1,417.69	1,323.05
Bank and Finance charges	2,493.00	3,700.20
Interest to Others	2,219.12	1,902.08
Foreign Exchange Fluctuation / Loss / (Gain) from Derivative transactions (Net)	<b>8,392.17</b>	11,757.86
	<b>18,196.27</b>	25,792.28
Less: Interest Received		
Interest on Bonds and Debentures	11.24	30.01
(TDS Rs. 0.97 lacs (Previous Period Rs. 2.04 lacs))		
Other Interest on Loans, Advances and Deposit	2,576.64	3,448.32
(TDS Rs. 254.34 lacs (Previous Period Rs. 417.04 lacs))		
	<b>2,587.88</b>	3,478.33
	<b>15,608.39</b>	22,313.95



## Consolidated Financial Statements

### SCHEDULE – “22”

#### SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY; TWENTY THREE SUBSIDIARIES (INCLUDING SEVENTEEN INDIRECT SUBSIDIARIES); TWO JOINT VENTURE COMPANIES AS ON 31ST MARCH, 2011

##### I. Principles of consolidation

The consolidated financial statements relate to Jindal Saw Limited ("the Company") and its subsidiary companies and joint venture companies (Collectively referred as the 'Jindal Saw Group'). Subsidiaries companies are those companies in which the company directly or indirectly, has interest more than 50% of the voting power or otherwise control the composition of the Board, governing body so obtain economic benefits from activities. The consolidated financial statements have been prepared on the following basis:-

- a) The financial statements of the subsidiary companies are combined on a line-by -line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transaction resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 –'Consolidated Financial Statements' notified under The Companies (Accounting Standards) Rules, 2006.
  - b) Interest in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard (AS) - 27. " Financial reporting of Interest in Joint Ventures".
  - c) In the case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any gain on exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve and in case of loss the same is charged to Profit and Loss Appropriation Account and carried to accumulated balance of Profit / (Loss).
  - d) The difference between the cost of investment in the subsidiaries and the Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statement as Goodwill or Capital Reserve as the case may be.
  - e) Minority Interest in the net assets of the consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately from liabilities and the equity of the company's shareholders.
- Minority interest in the net assets of the consolidated subsidiaries consists of :
- The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
  - The minorities' share of movement in the equity since the date the parent subsidiary relationship came into existence.
- f) Minority Interest in the net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the Jindal Saw Group. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of actual obligation of the minority the same is accounted for by the holding company.
  - g) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the companies separate financial statements.
  - h) The subsidiary companies considered in the consolidated financial statements are:-

Name of the Company	Country of Incorporation	% Shareholding/ Voting Power		Date of Financial Statements
		31st March, 2011	31st March, 2010	
<b>Subsidiaries Company (Directly)</b>				
Hexa Securities & Finance Company Ltd.	India	100.00	100.00	31-Mar-2011
Jindal ITF Ltd.	India	99.99	99.99	31-Mar-2011
IUP Jindal Metals & Alloys Ltd.	India	80.71	80.71	31-Mar-2011
Hexa Tradex Limited*	India	100.00	-	31-Mar-2011
Jindal Saw Holdings FZE	UAE	100.00	100.00	31-Mar-2011
S.V. Trading Limited	Nevis	100.00	100.00	31-Mar-2011
<b>Subsidiaries Company (Indirectly)</b>				
Jindal Saw USA LLC (Subsidiary Company of S.V. Trading Ltd.)	USA	100.00	100.00	31-Mar-2011
Jindal Intellicom Ltd. (Subsidiary Company of Jindal ITF Ltd.)	India	98.78	98.78	31-Mar-2011



## Consolidated Financial Statements

Name of the Company	Country of Incorporation	% Shareholding/ Voting Power		Date of Financial Statements
		31st March, 2011	31st March, 2010	
JITF Water Infrastructure Ltd. (formerly known as Jindal Water Infrastructure Limited) (Subsidiary Company of Jindal ITF Ltd.)	India	99.98	99.98	31-Mar-2011
JITF Urban Infrastructure Ltd. (formerly known as Jindal Urban Infrastructure Ltd.) (Subsidiary Company of Jindal ITF Ltd.)	India	99.99	99.99	31-Mar-2011
JITF Shipyards Ltd. (formerly known as Jindal Shipyards Ltd.) (Subsidiary Company of Jindal ITF Ltd.)	India	99.99	99.99	31-Mar-2011
Jindal Rail Infrastructure Ltd. (Subsidiary Company of Jindal ITF Ltd.)	India	99.99	99.98	31-Mar-2011
JITF Waterways Ltd. (formerly known as Jindal Waterways Ltd.) (Subsidiary Company of Jindal ITF Ltd.)	India	99.99	99.99	31-Mar-2011
JITF Infralogistics Ltd. (formerly known as Jindal Infralogistics Ltd.) (Subsidiary Company of Jindal ITF Ltd.)	India	98.60	98.60	31-Mar-2011
JITF Urban Infrastructure Services Ltd. ** (Subsidiary Company of Jindal ITF Ltd.)	India	100.00	-	31-Mar-2011
JITF ESIPL CETP (Sitarganj) Ltd. (formerly known as Jindal ESIPL CETP (Sitarganj) Ltd.) (Subsidiary Company of Jindal Water Infrastructure Ltd.)	India	51.00	51.00	31-Mar-2011
Timarpur -Okhla Waste Management Co. Pvt. Ltd. (Subsidiary Company of JITF Urban Infrastructure Ltd.)	India	100.00	100.00	31-Mar-2011
JITF Water Infra (Nayaraipur) Limited (formerly known as Jindal Water Infra (Nayaraipur) Limited) (Subsidiary Company of JITF Water Infrastructure Ltd.)	India	80.00	80.00	31-Mar-2011
Jindal Saw Middle East FZC (Subsidiary Company of Jindal Saw Holdings FZE )	UAE	75.00	75.00	31-Mar-2011
Jindal Saw Gulf LLC (Subsidiary Company of Jindal Saw Middle East FZC )	UAE	75.00	75.00	31-Mar-2011
Ralael Holdings Limited *** (Subsidiary Company of Jindal Saw Middle East FZC )	Cyprus	75.00	-	31-Mar-2011
Jindal Saw Italia S.r.l. **** (Subsidiary Company of Ralael Holdings Limited )	Italy	75.00	-	31-Dec-2010
Intellicom Insurance Advisors Ltd. ***** (Subsidiary Company of Jindal Intellicom Ltd.)	India	98.78	-	31-Mar-2011

- \* Subsidiary w.e.f 28th October, 2010.
- \*\* Subsidiary w.e.f 6th July, 2010.
- \*\*\* Subsidiary w.e.f 9th July, 2010.
- \*\*\*\* Subsidiary w.e.f 1st October, 2010.
- \*\*\*\*\* Subsidiary w.e.f 9th August, 2010.

i) The Joint Venture companies considered in the consolidated financial statements are:-

Name of the Company	Country of Incorporation	% Shareholding/ Voting Power		Date of Financial Statements
		31st March, 2011	31st March, 2010	
JITF Manila Water Development Co. Limited *	India	50.00	-	31-Mar-2011
Jindal Sigma Limited, UK **	UK	25.00	-	31-Dec-2010

- \* Joint Venture W.e.f 3rd May, 2010
- \*\* Joint Venture W.e.f 26th July, 2010



## Consolidated Financial Statements

### 2. Other Significant Accounting Policies

Since certain subsidiaries are in the same line of business which function in a different regulatory environment, certain policies such as in respect of depreciation etc. differ. The notes on accounts and accounting policies followed by the subsidiaries and holding company are disclosed in their respective financial statements. These are set out under " Significant Accounting Policies" in the stand alone financial statements of the Company. Further to those policies, the accounting policy adopted by subsidiaries are as follows:

Contract revenue in respect of erection and commissioning is recognized by adding the aggregate cost and proportionate margin using the percentage completion method. Percentage of completion is determined as a proportion of cost incurred-to-date to the total estimated contract cost. Estimated loss on project activity to be undertaken in future years is provided for.

Where the grant or subsidy relates to an assets, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related assets.

### 3. Contingent Liabilities

	As At 31st March, 2011 Rs. in lacs	As At 31st March, 2010 Rs. in lacs
a) Guarantees issued by the Company's bankers on behalf of the Company	102,788.03	80,320.07
b) Letter of Credit Outstanding (Net of Liabilities provided in the books)	91,609.39	49,517.52
c) Bills discounted by banks	8,930.00	-
d) Corporate Guarantee/ undertaking issued to lender of subsidiary companies	12,878.51	2,685.11
e) Disputed Excise Duty, Custom Duty and Service Tax	259.91	122.87
f) Disputed Sales Tax	595.93	627.37
g) Liability in respect of corporate guarantee / duty saved for availing various export based incentive schemes	10,877.63	9,267.09
h) Claims against the company not acknowledged as debts	918.53	62.53
i) Income Tax Demand against which company has preferred appeals	1,224.66	885.12

### 4. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)

59,425.46

19,544.93

### 5. A Scheme of Arrangement and Demerger (Scheme) entailing de-merger of Investment Undertaking into Hexa Tradex Limited (HTL) was filed by the Company with the Hon'ble High Court of Judicature at Allahabad. As per the order of the Hon'ble High Court of Judicature at Allahabad, the separate meetings of the shareholders and secured and unsecured creditors were convened and the Scheme was approved by them.

As per the said Scheme, with effect from the Appointed Date i.e. 1st January, 2011, the Investment Undertaking shall stand transferred to and vested in HTL on a going concern basis, pursuant to the provisions contained in Sections 391 to 394 and other applicable provisions of the Companies Act 1956. Scheme is pending before the Hon'ble High Court of Judicature at Allahabad, for confirmation and hence, the effect of the Scheme has not been given in the financial results for the year ended 31st March, 2011.

As per the Scheme, the following assets and liabilities of the Investment Division of the Company as appearing on 1st January, 2011, i. e., the appointed date would be transferred to HTL

	Rs in lacs
a) Liabilities	
Current Liabilities	0.82
Provisions	1.43
<b>Total</b>	<b>2.25</b>
b) Assets	
Investments	2,558.91
Advances recoverable	1.37
Loan to Subsidiary	19,272.91
<b>Total</b>	<b>21,833.19</b>

Once the Scheme is made effective, as a consideration of transfer of Investment Undertaking, HTL will issue and allot to the equity shareholders of Jindal Saw Ltd. 1(one) equity share of face value of Rs. 2/- (credited as fully paid-up) for every 5 (five) fully paid-up equity shares of Rs. 2/- each held by them in Jindal Saw Ltd. as on the Record Date (to be fixed). The equity shares so allotted by HTL shall be listed on NSE and BSE.



## Consolidated Financial Statements

6. The expansion of Company's manufacturing facility at Nashik has been granted "Mega Project Status" by Government of Maharashtra and therefore is eligible for Industrial Promotion Subsidy (IPS) under Packaged Scheme of Incentive (PSI) 2007.

Purpose of the Packaged Scheme of Incentive (PSI) 2007 is for intensifying and accelerating the process of dispersal of industries to the less developed regions and promoting high tech industries in the developed areas of the state coupled with the object of generating mass employment opportunities.

Modality of payment of IPS consists of the following:

- Electricity Duty exemption for the period of 7 years from the date of commencement of commercial production- from 10.09.2009 to 09.09.2016.
- 100% exemption from payment of Stamp duty.
- VAT and CST payable to the State Government (on sales made from Nashik plant, within a period of 7 years starting from 10th Sep 2009).

IPS will be payable so as to restrict up to 75% of the Eligible Fixed Capital investments made from 13th Sep 2007 to 10th Sep 2009. The Eligibility Certificate issued allows maximum Fixed Capital Investment of Rs 350 crores and restrict IPS to 75% of Rs. 350 crores i.e. Rs. 262.50 crores.

In terms of the Accounting Standard (AS 12) "Accounting for Government Grants" prescribed by Companies (Accounting Standards) Amendment Rules, 2006, eligible incentive of Rs. 1,466.78 lacs is considered to be in the nature of promoters' contribution and has been credited to Capital Reserve.

7. Sundry Debtors, Creditors and other advances are subject to confirmation. The effect of the same, if any, which are not likely to be material, will be adjusted at the time of confirmation.

8. In the opinion of the Board, the realisable value of Current assets, loans & advances, in the ordinary course of business, would not be less than the amount at which they are stated.

9. Capital work in progress includes Advance against capital goods of Rs.15,686.06 lacs (Previous Period Rs. 3,894.91 lacs) and inventories of capital nature. It also includes Pre-operative expenses amounting to Rs. 5,860.40 lacs (Previous Period Rs. 2,836.08 lacs).

10. Profit for the year includes Prior Period Adjustment Rs. 83.43 lacs (Debit) and Rs. 0.50 lacs (Credit) (Previous Period Rs. 117.98 lacs (Debit) and Rs. 0.11 lacs (Credit).

11. The amount of Foreign Exchange Fluctuation amounting to Rs. 5428.41 lacs (Credit) (Previous Period Rs. 4818.23 lacs (Credit) is included under the relevant heads of Expenditure and Income.

12. During the year, the amount of Foreign exchange fluctuation capitalised towards Fixed Assets is Rs. 49.46 lacs (Credit) (Previous Period Rs. 745.35 lacs (Credit).

13. Charity and Donations includes Nil (Previous Period Rs. 2 lacs to Bhartiya Janta Party and Rs. 0.50 lacs to Indian National Congress, Both of Gujarat State units) as contribution to political parties.

14. Financial and Derivative Instruments

- a) Nominal amounts of derivative contracts entered into by the company and outstanding as at 31st March, 2011 for hedging Currency and interest rate related risks:

Sr. No.	Particulars	As At 31st March, 2011 Rs. in lacs	As At 31st March, 2010 Rs. in lacs
1	Interest rate Swaps	6,698.00	6771.00
2	Currency Swaps	-	18,056.00
3	Options	78,825.00	190,970.00
4	Forward Contracts	135,864.06	68,558.97

- b) Foreign Currency exposures that has not been hedged by derivative instrument or otherwise are as under:

Sr. No.	Particulars	As At 31st March, 2011 Rs. in lacs	As At 31st March, 2010 Rs. in lacs
1	Receivables/ Inflows	1,218.54	-
2	Payable/ Outflow	90,522.15	23,604.76



## Consolidated Financial Statements

The Company has outstanding foreign currency related derivative contracts in the form of swap/options etc. The contracts have long dated tenure with multiple contingent/uncertain events. As such, ascertainment of fair value of these contracts is not feasible, however fair value of the mark to market (MTM) of all outstanding contracts has been estimated at approx. USD 148 million, against the company (previous period approx. USD 90 million). The aforesaid contracts also include contract(s) to the extent of approx. USD 32 million, the legality of which is under challenge before the Hon'ble High Court of Bombay for being declared as null and void. The Company intends to adopt AS-30 from next year and pending adoption of AS-30, the MTM is neither charged to Profit and Loss Account nor considered in the Balance Sheet. However, the gain/loss is being accounted for on cash settlement.

- 15 The Company's significant leasing arrangements are in respect of operating leases for premises-residential and offices. These leasing arrangements are cancellable. The aggregate lease rentals payables are charged as rent
- 16 The money received from Governments against the concessionaire agreement towards the financial assistance for capital project for Build, Operate & Transfer is considered as grant and is therefor deducted from the total cost of the project so incurred.
- 17 Goodwill on consolidation is net of Capital reserve of Rs. 8,676.71 lacs (Previous Period Rs. 8,676.71 lacs).
- 18 Earning Per Share (EPS) Basic and Diluted computed in accordance with Accounting Standard 20 "Earning per Share"

Description	Current Year ended 31st March, 2011 Rs. in lacs	Previous Period ended 31st March, 2010 Rs. in lacs
<b>Basic and Diluted</b>		
Profit before tax	<b>57,693.59</b>	89,433.51
Less: Tax on ordinary activities	<b>13,243.78</b>	21,534.64
Less: Adjustments for tax & depreciation of earlier years	<b>247.65</b>	(718.64)
Profit after tax	<b>44,202.16</b>	68,617.51
Less: Preference dividend including tax thereon	<b>416.31</b>	1,144.74
Profit attributable to Equity Shareholders - Basic (A)	<b>43,785.85</b>	67,472.77
Interest on CCD/FCCB (Net of Taxes)	<b>1,202.44</b>	1,934.21
Profit attributable to Equity Shareholders - Diluted (B)	<b>44,988.29</b>	69,406.98
Weighted Average No of Shares issued for Basic EPS (C)	<b>276,031,365</b>	266,183,601
Weighted Average No of Shares issued for Diluted EPS (D)	<b>293,471,180</b>	293,840,046
Earning per share in Rs. (on face value of Rs. 2/each)		
Basic = A/C	<b>15.87</b>	25.35
Diluted = B/D	<b>15.34</b>	23.62



## Consolidated Financial Statements

19 Details of Pre-operative Expenses pending allocation on completion of the projects is as under :

Detail of Pre-operative Expenses	Current Year ended 31st March, 2011 Rs. in lacs	Previous Period ended 31st March, 2010 Rs. in lacs
Raw materials	-	22.81
Power & Fuel	55.33	200.06
Store & Spares	24.04	1.03
Repairs to plant and machinery	24.88	28.60
Salary, Wages & Other Benefits	270.98	189.24
Contribution to Provident & other funds	12.30	6.02
Workman & Staff Welfare	5.67	10.57
Rent	523.22	19.07
Rates and taxes	0.53	11.93
Travelling & Conveyance	129.86	91.16
Insurance Expenses	21.78	14.55
Consultancy charges.	290.43	256.69
Auditors Remuneration	1.35	0.36
Interest*	1,144.01	1,513.98
Bank Charges	82.78	389.31
Miscellaneous Expenses	528.58	309.26
Depreciation	12.90	2.39
Foreign Exchange Fluctuation	(49.46)	(745.35)
	3,079.18	2,321.69
Less: Sale value of goods produced during trial period	-	11.24
Dividend Received	4.31	7.39
	3,074.87	2,303.06
Add: Preoperative expenses brought forward	2,836.08	15,974.32
	5,910.95	18,277.38
Less: Capitalized during the year	50.55	15,441.30
Preoperative Expenses Carried Over	5,860.40	2,836.08

\* Net of Interest Received Rs. 39.96 lacs (Previous Period Rs. 209.96 lacs )

### 20 Related Parties Transactions

#### A List of Related Parties & Relationship (As required by AS - 18)

##### a) Associates

- 1 Eldeco Sidcul Industrial Park Limited Associate of Jindal ESIPL CETP (Sitarganj) Ltd.

##### b) Key Management Personnel

- 1 Ms. Sminu Jindal Managing Director - Jindal Saw Limited and Director - IUP Jindal Metal & Alloys Limited
- 2 Mr. Indresh Batra Managing Director - Jindal Saw Limited and IUP Jindal Metal & Alloys Limited & Director - JITF Waterways Limited
- 3 Mr. H.S. Chaudhary Whole Time Director- Jindal Saw Limited
- 4 Mr. O.P.Sharma Chief Operating Officer (Large Dia. Pipe- SBU)
- 5 Mr. V.S.Konnur Director (Seamless Business)
- 6 Mr. K. Chandrayya Director (Works) IPU
- 7 Mr. Vivek Goyal Whole Time Director - IUP Jindal Metal & Alloys Limited ( Upto 16th July, 2010)
- 8 Mr. P.D. Agarwal Executive Director - IUP Jindal Metal & Alloys Limited ( Upto 6th March, 2011)
- 9 Mr. Vinod Sharma Director - IUP Jindal Metal & Alloys Limited ( from 16th July, 2010 )
- 10 Mr. J.M. Syal VP Incharge and Business Head ( from 10th January, 2011 )



## Consolidated Financial Statements

- 11 Mr. Probal Ghosal CEO- JITF Waterinfrastructure Limited, Director Timarpur Okhla Waste Management Co. Pvt. Ltd.
  - 12 Mr. R.N. Aga Whole Time Director- Jindal Rail Infrastructure Limited
  - 13 Mr. Amit Bajpai Director - Jindal ESIPL CETP (Sitarganj) Ltd.
  - 14 Mr. Rajesh Bajjal Director - Jindal ESIPL CETP (Sitarganj) Ltd.
  - 15 Mr. Ashish Kukreja Director- JITF Waterinfra ( Nayaraipur) Limited
  - 16 Mr. A.K. Khosla COO- Jindal Rail Infrastructure Limited
  - 17 Mr. Sanjiv Garg Director - Jindal Intellicom Ltd.
- c) **Relative of Key Management Personnel**
- 1 Mr. P.R. Jindal Father of Ms. Sminu Jindal
  - 2 Ms. Leena Garg Wife of Mr. Sanjiv Garg
  - 3 Ms. Gayatri Garg Daughter of Mr. Sanjiv Garg
- d) **Enterprises over which Key Management Personnel having significant Influence**
- Sminu Jindal Charitable Trust

B Transactions		Rs. in lacs				
	Description	Associates		Key Management Personnel (KMP), their relatives & Enterprises over which KMP having significant Influence		Total
		Current Year ended 31.03.2011	Previous Period ended 31.03.2010	Current Year ended 31.03.2011	Previous Period ended 31.03.2010	
<b>a) Transactions</b>						
	<b>Interest Paid</b>			<b>6.57</b>	-	<b>6.57</b>
	- Ms. Sminu Jindal	-	-	6.57	-	6.57
	<b>Rent Paid</b>			<b>8.40</b>	10.50	<b>8.40</b>
	- Mr. P.R. Jindal	-	-	8.40	10.50	8.40
	<b>Rent Received</b>			<b>6.00</b>	7.50	<b>6.00</b>
	- Mr. P.R. Jindal	-	-	6.00	7.50	6.00
	<b>Remuneration Paid</b>			<b>265.29</b>	281.51	<b>265.47</b>
	- Ms. Sminu Jindal	-	-	265.29	281.51	265.47
	- Mr. Indresh Batra	-	-	208.61	217.57	208.61
	- Others	-	-	410.69	245.03	410.69
	<b>Meeting Fees Paid</b>			<b>0.60</b>	-	<b>0.60</b>
	- Mr. P.R. Jindal	-	-	0.60	-	0.60
	<b>Donation Given</b>			<b>50.00</b>	-	<b>50.00</b>
	- Sminu Jindal Charitable Trust	-	-	50.00	-	50.00
<b>b) Outstanding Balance as on 31.03.2011</b>						
	<b>Creditors</b>					
	- Mr. Sanjeev Garg	-	-	-	14.65	-
	- Others	-	-	-	0.85	-



## Consolidated Financial Statements

### 21. Information on Joint Ventures as per Accounting Standard-27

The Company's share of the assets, liabilities, income and expenses of the jointly controlled entity based on Equity investment are as follows:

Description	Current Year ended 31st March, 2011 Rs. in lacs	Previous Period ended 31st March, 2010 Rs. in lacs
a) Current assets	269.49	-
b) Fixed assets (Including CWIP & Pre-operative Expenditure, pending allocation)	96.36	-
c) Investments	61.64	-
d) Current Liabilities	408.48	-
e) Income		
Sales	123.94	-
Other Income	1.64	-
Increase/ (Decrease) in Stock	227.62	-
f) Expenses		
Operating Expenses	338.79	-
Administration and other expenses	124.64	-
Interest and finance charges	7.18	-

Note:

Disclosure of financial data as per Accounting Standard-27, Financial Reporting of interest in the joint venture has been done based on the audited financial statements of Jindal Sigma Limited, UK & JTTF Manila Water Development Company limited for the period/year ended 31st December, 2010 & 31st March, 2011 respectively.

### 22 DEFERRED TAX LIABILITY

Description	Current Year ended 31st March, 2011 Rs. in lacs	Previous Period ended 31st March, 2010 Rs. in lacs
<b>A. Deferred Tax Liability</b>		
Difference between book and tax depreciation	27,919.87	21,252.55
Total Deferred Tax Liability	27,919.87	21,252.55
<b>B. Deferred Tax Assets</b>		
i) Disallowance under Income Tax Act	1,551.97	5.68
ii) Brought forward Losses	10,945.02	8,531.32
<b>Total Deferred Tax Assets</b>	<b>12,496.99</b>	<b>8,537.00</b>
Deferred Tax Liability (Net) (A-B)	15,422.88	12,715.55



## Consolidated Financial Statements

### 23. Segment Information:

#### A) PRIMARY BUSINESS SEGMENT

						Rs. in lacs	
	Particulars	Iron and steel products	Investment	Others	Unallocable	Eliminations	Total
<b>1 Segment Revenue</b>							
External Turnover	<b>446,507.18</b> 705,387.91	<b>1,895.39</b> 2,450.28	<b>26,249.95</b> 23,621.62	-	-	<b>474,652.52</b> 731,459.81	
Less: Excise Duty	<b>16,845.98</b> 20,433.31	- -	- -	-	-	<b>16,845.98</b> 20,433.31	
Net Turnover	<b>429,661.20</b> 684,954.60	<b>1,895.39</b> 2,450.28	<b>26,249.95</b> 23,621.62	-	-	<b>457,806.54</b> 711,026.50	
Inter Segment Sales	<b>6,048.26</b> 6,070.33	<b>132.11</b> 632.97	- -	-	(6,180.37) (6,703.30)	- -	
Total Revenue	<b>435,709.46</b> 691,024.93	<b>2,027.50</b> 3,083.25	<b>26,249.95</b> 23,621.62	-	(6,180.37) (6,703.30)	<b>457,806.54</b> 711,026.51	
<b>2 Segment Result before interest, extra ordinary items and Taxes</b>	<b>77,369.52</b> 119,752.31	<b>1,984.36</b> 2,377.17	<b>(1,973.89)</b> (5,575.35)	<b>(3,295.79)</b> (4,285.88)	<b>(782.23)</b> (520.80)	<b>73,301.98</b> 111,747.45	
Less: Interest Expenses(Net)						<b>15,608.39</b> 22,313.95	
Profit before Extra Ordinary Items and Taxes						<b>57,693.59</b> 89,433.50	
Extra Ordinary Items						- -	
Profit before Taxes						<b>57,693.59</b> 89,433.50	
Less:							
- Current Tax including fringe benefit tax						<b>10,506.84</b> 17,196.03	
- Provision / (Withdrawn) of Deferred Tax						<b>2,707.32</b> 4,309.17	
- Wealth Tax						<b>29.62</b> 29.44	
Net Profit after Tax						<b>44,449.81</b> 67,898.86	
<b>3 Other Information</b>							
Segment Assets	<b>627,754.92</b> 407,687.11	<b>26,512.76</b> 74,261	<b>102,701.77</b> 65,438.60	<b>172,199.36</b> 198,580	<b>(169,311.79)</b> (157,192)	<b>759,857.02</b> 588,775.10	
Segment Liabilities	<b>101,293.02</b> 67,558	<b>4.30</b> 1.52	<b>19,591.48</b> 15,462.77	<b>248.04</b> 28,095.35	<b>(9,928.92)</b> (10,075.71)	<b>111,207.93</b> 101,041.63	
Capital Expenditure	<b>40,264.46</b> 41,358.86	- -	<b>28,500.49</b> 22,722.68	-	-	<b>68,764.95</b> 64,081.54	
Depreciation	<b>14,455.92</b> 14,130.20	- -	<b>1,922.34</b> 1,724.41	-	-	<b>16,378.26</b> 15,854.61	
Non Cash Expenses other than depreciation	<b>249.26</b> 3,257.02	<b>43.48</b> 616.83	<b>79.35</b> -	-	-	<b>372.09</b> 3,873.85	



## Consolidated Financial Statements

### B) SECONDARY BUSINESS SEGMENT

Particulars	Within India	Outside India	Total
1 External Revenue	296,808.90	177,843.62	474,652.52
	458,065.94	273,393.87	731,459.81
Less: Excise Duty	16,845.98	-	16,845.98
	20,433.31	-	20,433.31
Net Turnover	279,962.92	177,843.62	457,806.54
	437,632.63	273,393.87	711,026.50
2 Segment Assets*	738,898.60	20,958.42	759,857.02
	522,675.89	66,099.21	588,775.10
3 Segment Liabilities	109,469.86	1,738.07	111,207.93
	99,880.63	1,161.00	101,041.63
4 Capital Expenditure*	64,620.69	4,144.26	68,764.95
	61,930.60	2,150.94	64,081.54

\* The Company's operating facilities are located in India

NOTE:

1 Unbold Figures pertain to previous period.

2 Segments have been identified in line with AS on Segment Reporting (AS-17) taking into account the organisational structure, nature of product and differential risk and returns of these segments.

### 24. Auditors' & Directors' Remuneration

Description	Current Year ended 31st March, 2011 Rs. in lacs	Previous Period ended 31st March, 2010 Rs. in lacs
a) Auditor's Remuneration		
Statutory Auditors		
i. Audit Fees *	28.15	27.94
ii. Tax Audit Fees	4.31	7.17
iii. Taxation Matters	0.15	0.73
iv. Certification/ Others	4.57	5.47
v. Out of pocket Expenses	3.01	6.67
Total	40.19	47.98
* Includes Rs. 1.35 lacs (Previous period Rs. 0.36 lacs ) in Pre-Operative expenses.		
Cost Auditors		
i. Audit Fees	7.33	3.37
ii. Others	-	1.77
iii. Out of pocket Expenses	1.98	0.73
Total	9.31	5.87
b) Directors' Remuneration		
i. Salary including allowances etc.	302.58	194.37
ii. Commission	179.10	125.10
iii. Contribution to Provident & Other Funds	24.02	16.55
iv. Perquisites (as per Income Tax Rules)	58.49	49.34
Total	564.19	385.36



## Consolidated Financial Statements

25. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Parent Company's financial statement. Previous period figures have been regrouped / rearranged wherever considered necessary. Current Year figures of Profit & Loss Account are not comparable with Previous Period as the Previous Period figures are for fifteen months from 01st January, 2009 to 31st March, 2010.
- 

As per our report of even date attached

For N.C.AGGARWAL & CO.  
Chartered Accountants  
Firm Registration No. 003273N

N.C.Aggarwal  
PARTNER  
M.No. 005951

PLACE : NEW DELHI  
DATED : 12th August 2011

H.S. CHAUDHARY  
Wholetime Director

SUNIL JAIN  
Company Secretary

SMINU JINDAL  
Managing Director

N.K.AGARWAL  
Vice President  
(Corp. Accounts & Taxation)



Notice



## Notice

NOTICE is hereby given that the 26th Annual General Meeting of the Members of Jindal Saw Ltd. will be held at Registered Office at A-I, UPSIDC Indl. Area, Nandgaon Road, Kosi Kalan, Distt. Mathura (U.P.) - 281 403 on Friday, the 30th day of September, 2011 at 1.00 p.m. to transact the following businesses :-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended 31st March, 2011 and the Reports of Directors and Auditors.
2. To declare a dividend.
3. To appoint a Director in place of Shri P. R. Jindal, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Devi Dayal, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint M/s. N. C. Aggarwal & Co., Chartered Accountants, retiring Auditors, as Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

### SPECIAL BUSINESS:

6. To consider and, if fit thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 198, 269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 and subject to such other approvals as may be necessary, Ms. Sminu Jindal be and is hereby appointed as Managing Director for a period of 5 years w.e.f. 1st February, 2011 on the following terms and conditions including remuneration with authority to the Board of Directors to alter and vary the terms and conditions of the said arrangement and/or remuneration subject to the same not exceeding the limits specified in Schedule XIII to the Companies Act, 1956 as may be agreed between the Board of Directors and Ms. Sminu Jindal :-

- i) SALARY : Rs. 7,50,000/- per month.
- ii) COMMISSION : 1% of the net profit subject to a maximum of an amount equivalent of one year basic salary.
- iii) CONTRIBUTION TO PROVIDENT FUND : According to Rules of the Company not exceeding 12% of the salary.
- iv) MEDICAL BENEFITS : Reimbursement of medical expenses for self and family in a year upto one month's basic salary.
- v) LEAVE TRAVEL CONCESSION : Actual fares excluding hotel expenses for self and family in a year upto one month basic salary.
- vi) BONUS/EX GRATIA : Upto 20% of basic salary in a year as paid to other officers of the Company not covered by the Payment of Bonus Act, 1965.
- vii) GRATUITY : As per Rules of the Company but shall not exceed half month's salary for each completed year of service.
- viii) LEAVES : With full pay or encashment thereof as per the Rules of the Company.

### The Managing Director will also be entitled to the following perquisites:-

- a. Fully Furnished Residential Accommodation, the monetary value of which shall be evaluated as per Income Tax Rules, 1962 or HRA equivalent to 60% of the basic salary;
- b. Gas, electricity and water expenditure - at actuals, the monetary value of which shall be evaluated as per Income Tax Rules, 1962.
- c. Company maintained car.
- a. Provision for communication facilities as may be required.
- b. Coverage under Group Mediclaim Policy and Personal Accident Insurance as per the rules of the Company.
- c. Membership fee limited to two clubs.
- d. The Managing Director shall also be entitled to reimbursement of expenses actually and properly incurred by her for the business of the Company.
- e. The Managing Director so long as she functions as such shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this Resolution."



## Notice

7. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Shri Ravinder Nath Leekha be and is hereby appointed as a Director of the Company liable to retire by rotation."
8. To consider and, if fit thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to provisions of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage and/or create charge on all or any of the movable and immoveable properties of the Company both present and future or the whole or substantially the whole of the undertaking or undertakings of the Company for securing any loan(s) or facilities obtained or as may be obtained from any financial institution(s) or banks or person(s) together with interest, costs, charges, expenses and any other moneys payable by the Company within the overall borrowing powers delegated to the Board of Directors from time to time pursuant to Section 293(1) (d) of the Companies Act, 1956."
9. To consider and, if fit thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorised to borrow sum or sums of money, from time to time, at its discretion either from the Company's bank(s) or any other bank(s), financial institution(s) or any other lending institution(s) or persons on such terms and conditions as may be considered suitable by the Board of Directors up to a limit not exceeding in aggregate Rs. 5,000 Crores notwithstanding that the money to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."
10. To consider and, if thought fit, to pass with or without modification(s) the following resolution as Special Resolution:  
"RESOLVED THAT in accordance with the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956, Foreign Exchange Management Act, 1999 (including any regulation, statutory modification(s) or re-enactment(s) thereof for the time being in force including but not limited to Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident Outside India) Regulation, 2000, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 and also the provisions of any other applicable law(s), rules, regulations and in accordance with relevant provisions of Memorandum and Articles of Association of the Company and subject to the approval, consent, permission and / or sanction of the Ministry of Finance (MOF), Government of India (GOI), the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Stock Exchanges and / or any other appropriate authorities, institutions or bodies, as may be necessary and subject to such conditions and modifications as may be prescribed in granting such approvals, consents and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which terms shall include a Committee of Directors), the consent of the Company be and is hereby accorded to the Board to offer, issue and allot, in one or more tranches, any securities including Global Depository Receipts ("GDR") and / or American Depository Receipts ("ADR") and / or Foreign Currency Convertible Bonds ("FCCB") and / or Convertible Bonds / Debentures and / or Euro-Convertible Bonds whether cumulative / redeemable / partly / fully convertible and / or securities partly or fully convertible into equity shares and / or securities linked to equity shares and / or any instruments or securities with or without detachable warrants, or such other types of securities representing either equity shares and / or convertible securities, (hereinafter collectively referred to as "Securities") in India or in one or more foreign market(s) to be subscribed in foreign currency(ies) / Indian Rupees by Foreign / Domestic Investors, including Non-residents, Foreign Institutional Investors, Non-Resident Indians, Foreign Nationals, Corporate Bodies, Banks, Institutions, Mutual Funds or such other eligible entities or persons as may be decided by the Board in accordance with applicable laws, whether or not such persons / entities / investors are members of the Company, through Prospectus, Offering Letter, Circular Memorandum or through any other mode, from time to time, as may be deemed appropriate by the Board on such terms and conditions as the Board may, in its sole and absolute discretion, deem fit upto US Dollars 150 million or equivalent to other currencies (with a right to the Board to retain additional allotment, such amount of subscription not exceeding 25% of the amount of initial offer of each tranche as the Board may deem fit) on such terms and conditions including pricing (subject to the maximum pricing norms prescribed by SEBI, RBI and / or any other authorities), as the Board may in its sole and absolute discretion decide including the form and all other terms and conditions and matters connected therewith and wherever necessary in consultation with the lead managers, underwriters, stabilization agents, guarantors, financial and /or legal advisors, depositors, custodians, principal / paying / transfer / conversion agents, listing agents, registrars and issue such Securities in any market and / or to the persons as may be deemed fit by the Board so as to enable the Company to get listed at any stock exchange in India and / or Singapore and / or any other overseas stock exchange(s).



## Notice

"RESOLVED FURTHER THAT these Securities will be disposed of by the Board in its absolute discretion in such manner as the Board may deem fit and proper.

"RESOLVED FURTHER THAT without prejudice to the generality of the above and subject to the applicable laws, the aforesaid issue of the Securities may have all or any terms or combination of terms in accordance with normal practices including but not limited to conditions relating to payment of interest, dividend, premium or redemption or early redemption at the option of the company and / or to the holder(s) of the Securities and other debt-service payment whatsoever and all such terms as are provided in offerings of this nature, including terms for issue of additional equity shares, of variation of interest payment and / or variation of the price and / or the period of conversions of Securities into equity shares or issue of equity shares during the duration of the Securities and / or voting rights or options for early redemption of Securities, and the Board is empowered to finalize and approve the same or any modification thereof.

"RESOLVED FURTHER THAT the Company and / or any agency or body authorized by the Board may issue depository receipts representing the underlying equity shares or other Securities or FCCBs in registered form with such features and attributes as are prevalent in international capital markets for instruments of this nature and provide for the tradability or free transferability thereof as per the international practices and regulations and under the forms and practices prevalent in the international markets including filing any registration statement and any other document and any amendment thereto with any relevant authority(ies) for securities listing and trading in the overseas Stock / Securities Exchange(s).

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any Securities referred above or as may be necessary in accordance with the terms of the offering(s).

"RESOLVED FURTHER THAT subject to the applicable laws, the Board, as and when it deems fit and proper, be and is hereby also authorized to issue and allot equity shares (including equity shares issued and allotted upon conversion of any Securities) with differential rights including differential rights as to dividend and / or voting.

"RESOLVED FURTHER THAT the Securities issued in foreign markets shall be deemed to have been made abroad and / or in the market and / or at the place of issue of the Securities in the International market and may be governed by applicable foreign laws.

"RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Securities or instruments representing the same, the Board be and is hereby authorized to determine the form, terms and timing of the offering(s), including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, premium amount of issue / conversion of Securities / redemption of Securities, rate of interest, redemption period, utilization of issue proceeds, listing on one or more stock exchanges abroad / India as the Board in its sole and absolute discretion may deem fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues and on behalf of the Company, to do all such acts, deeds, matters and things as it may, at its sole and absolute discretion, deem necessary or desirable for such purpose, including without limitation the appointment of Registrars, Book-runners, Lead-Managers, Trustees, Agents, Bankers, Global Co-coordinators, Custodians, Depositories, Consultants, Solicitors, Accountants, or such other Agencies, entering into arrangements for underwriting, marketing, listing, trading, depository and such other arrangements and agreements, as may be necessary and to issue any offer document(s) and sign all deeds, documents and to pay and remunerate all agencies / intermediaries by way of commission, brokerage, fees, charges, out of pocket expenses and the like as may be involved or connected in such offerings of Securities, with power on behalf of the Company to settle any question, difficulty or doubt that may arise in regard to any such issue, offer or allotment of Securities and in complying with any regulations, as it may in its sole and absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Whole-time Director(s), Directors or any other Officer(s) of the Company to give effect to the aforesaid resolution.

"RESOLVED FURTHER THAT all the acts, deeds and things already done by the Board in this regard be and are hereby confirmed, approved and ratified."

Place : New Delhi  
Dated : 12th August, 2011

Regd. Office:  
A-1, UPSIDC Indl. Area  
Nandgaon Road, Kosi Kalan  
Distt. Mathura (U.P.)- 281 403

By order of the Board  
for JINDAL SAW LTD.

SUNIL JAIN  
Company Secretary



## Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID & EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE NOT LATER THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE ABOVE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 28th September, 2011 to 30th September, 2011 (both days inclusive).
3. The Dividend, if approved, will be paid to those shareholders whose names appear : (a) as Beneficial Owners as at the end of the business hours on 27th September, 2011 as per the list to be furnished by NSDL and CDSL in respect of shares held in the Electronic Form; and (b) as Members in the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company on or before 27th September, 2011.
4. The Members are requested to notify promptly any change in their address to the Company.
5. Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year ended 30th September, 2004 which having been remaining unpaid for a period of 7 years will be transferred to the Investor Education and Protection Fund established by the Central Government on or before 6th January, 2012. Shareholders who have not encashed the dividend warrants so far for the financial year ended on 30th September, 2004 are requested to make their claim to the Company at Jindal Centre, 12, Bhikaji Cama Place, New Delhi - 110 066 before 26th December, 2011. It may also be noted that once the unclaimed dividend is transferred to the fund as above, no claim shall lie in respect thereof.
6. Section 109A of the Companies Act, 1956 extends nomination facility to all shareholders.
7. The information required under Clause 49 of the Listing Agreement relating to Corporate Governance with respect to those Directors retiring by rotation and seeking reappointment/ appointment is given hereunder.
8. Members are requested to note that pursuant to directions given by SEBI/Stock Exchanges, the Company has appointed M/s RCMC Share Registry (P) Ltd, B-106, Sector -2, Noida as Registrar and Transfer Agent to look after the work related to shares held in physical as well as Demat mode.

Place : New Delhi  
Dated : 12th August, 2011

Regd. Office:  
A-1, UPSIDC Indl. Area  
Nandaon Road, Kosi Kalan  
Distt. Mathura (U.P.)- 281 403

By order of the Board  
for JINDAL SAW LTD.

SUNIL JAIN  
Company Secretary



## Notice

### EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

#### Item No. 6.

The Board of Directors in their meeting held on 31st January, 2011, had subject to the approval of shareholders, re-appointed Ms. Sminu Jindal as Managing Director of the Company for a period of 5 years w.e.f. 01.02.2011 at a remuneration set out in the resolution. Ms. Sminu Jindal has been associated with the Company since 1992 in various capacities and she was elevated to the Board in 1997 as Whole-time Director and later as Managing Director in 2001. Under her dynamic leadership, the Company has progressed tremendously year on year and has established itself as market leader in energy infrastructure sector. The Board considers that it will be in the interest of the Company to appoint Ms. Sminu Jindal as Managing Director of the Company for a further period of 5 years. Hence, Your Directors recommended you to pass the proposed Resolution.

The above details may please be treated as an abstract of terms of appointment and remuneration between the Company and Ms. Sminu Jindal under section 302 of the companies Act, 1956.

None of the directors other than Ms. Sminu Jindal herself and Ms. Savitri Jindal, Shri P. R. Jindal and Shri Indresh Batra being relatives is in any way interested or concerned in the Resolution.

#### Item No. 7.

The Board of Directors in their meeting held on 12th August, 2011 appointed Shri Ravinder Nath Leekha as an Additional Director of the Company.

In terms of Section 257 of the Companies Act, 1956, Shri Ravinder Nath Leekha holds office as an additional director only up to ensuing Annual General Meeting. The Company has received a notice pursuant to section 257 from a member signifying her intention to propose the candidature of Shri Ravinder Nath Leekha to the office of Director of the Company. The Board considers that the Company would be benefited by his experience and guidance. Hence, Your Directors recommended you to pass the proposed Resolution.

None of the other Directors except Shri Ravinder Nath Leekha is interested or concerned in the Resolution.

#### Item No. 8.

As security to the loans as sanctioned by financial institutions / banks, who may be approached by the Company for financial assistance for its growth opportunities in the form of term loan or other facilities from time to time, the Company would be required to create mortgage/ charge on all its movable and immovable properties both present and future.

Section 293(1)(a) of the Companies Act, 1956 provides, inter-alia, that Board of Directors shall not, without the consent of the members in general meeting, lease or otherwise dispose off the whole or substantially the whole of the undertaking(s) of the Company. The creation of charge on movable / immovable properties / assets of the Company may be deemed to be lease or otherwise disposing off the properties of the Company within the meaning of aforesaid section of the Companies Act, 1956. It is, therefore, proposed to obtain the members' consent authorising the Board of Directors of the Company to create such mortgage or charge within the limit of borrowing powers as set out in Resolution at item no. 7 above. Hence, Your Directors recommended you to pass the proposed Resolution.

None of the Directors of the Company is concerned or interested in the above Resolution.

#### Item No. 9.

Members of the Company at the Extra Ordinary General Meeting held on 4th June, 2005 had authorized the Board of Directors to borrow up to a limit of Rs. 2000 Crores from time-to-time as per the requirement of the Company.

Since the activities of the Company have increased manifold and the Company has transformed itself from Single Product-Single Location Company to multi-product - multi-location Company, the Company's requirement for funds is expected to go up with the acceleration of its activities and it may exceed the present limit of Rs. 2000 Crores. The Board considers that the present limit of borrowings up to Rs. 2000 Crores be enhanced to fund the growth opportunities of the Company. The Board, accordingly, recommends the proposal to increase the borrowing limit up to Rs. 5000 Crores as per the requirement from time to time.

Pursuant to Section 293(1)(d) of the Companies Act, 1956, the Board of Directors shall not except with the consent of the Members in a general meeting borrow money(s) where the money(s) to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its reserves, i.e., reserves not set apart for any specific purpose. Hence, Your Directors recommended you to pass the proposed Resolution.

None of the Directors of the Company is concerned or interested in the Resolution.



## Notice

### Item No. 10.

In order to mobilize funds for the normal capital expenditure, ongoing expansion, modernization, general corporate purposes, working capital requirements etc., the Company may, at an appropriate time, make an offering by way of public offer and / or private placement of Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Foreign Currency Convertible Bonds (FCCBs), or any other equity and / or preference share related instruments amounting in aggregate to US\$ 150 million or equivalent to other currencies to the international investor(s) in one or more tranches, at a price, in accordance with the applicable laws and otherwise on such terms and conditions as may be deemed appropriate by the Board at the time of issue of these instruments / securities.

The detailed terms and conditions of the offer will be determined in consultation with the lead managers, advisors and underwriters to be appointed by the Company at an appropriate time. Since pricing of the offering can be decided only at a later stage, it is not possible to state the price or the exact number of securities or instruments to be issued and hence an enabling resolution in broader terms is proposed to give adequate flexibility and discretion to the Board / Committee to finalise the terms in consultation with the lead managers and underwriters or such other authority(ies) as need to be consulted including in relation to the pricing of the issue which will be a free market pricing and may be at a premium or discount to market price in accordance with the international practices. The discussions will be initiated with internationally reputed consultants and merchant bankers at an appropriate time for identifying the parties and negotiating the terms and conditions of the offering.

Pursuant to the issuance and allotment of these securities / instruments by the Company the holders of such securities / instruments would be entitled to convert their respective securities / instruments into the equity / preference shares, as the case may be, of the Company. These shares will rank pari-passu in all respects with the existing equity / preference shares of the Company.

Section 81 of the Companies Act, 1956, provides, inter-alia, that when it is proposed to increase the issued capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in that section unless the shareholders in a general meeting decide otherwise by way of a special resolution. Hence, Your Directors recommended you to pass the proposed Resolution.

None of the Directors of the Company is concerned or interested in the Resolution.

Place : New Delhi  
Dated : 12th August, 2011

Regd. Office:  
A-1, UPSIDC Indl. Area  
Nandgaon Road, Kosi Kalan  
Distt. Mathura (U.P.)-281 403

By order of the Board  
for JINDAL SAW LTD.

SUNIL JAIN  
Company Secretary

### IMPORTANT COMMUNICATION TO MEMBERS

In an effort to make the earth a better place to live, the green movement has been sweeping over the Globe. Not only are individuals doing things to help the environment, companies & governments are as well. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing paperless compliance by Companies through electronic mode and has issued recently a circular bearing no. 17/2011 dated April 21, 2011 stating that service of documents by a Company to its members can be made through electronic mode. The move of the MCA allows public at large to contribute to the green movement. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants, Members who hold shares in physical form are requested to fill in the Registration form provided in this Annual Report and register the same with M/s RCMC Share (Registry) Private Limited.



## Notice

Details of Directors seeking appointment/ reappointment at the forthcoming Annual General Meeting pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges

Name of Director	Shri P. R. Jindal	Shri Devi Dayal	Ms. Sminu Jindal	Shri Ravinder Nath Leekha
Date of Birth	27.12.1951	02.07.1941	18.01.1973	23.06.1949
Date of Appointment	31.10.1984	30.07.2004	01.09.1997	12.08.2011
Qualification	B. A.	LL. B., M. A.	MBA	Graduate in Science (Chemistry)
Expertise in Specific Functional Area	Industrialist	I.A.S. (Retd.)	Industrialist	Industrialist
Directorship in other Indian Public Limited Companies as on 31.03.2011	1. Nalwa Steel & Power Ltd. 2. Rohit Tower Buildings Ltd. 3. Jindal Water Infrastructure Ltd. 4. Jindal Waterways Ltd 5. Orbit Corporation Ltd. 6. Vrindavan Fintrade Ltd. 7. Nalwa Fincap Ltd. 8. Jindal Synergy Investments Ltd. 9. OPJ Investments & Holdings Ltd. 10. IUP Jindal Metals & Alloys Ltd. 11. Salasar Finvest Ltd. 12. Sonabheel Tea Ltd. 13. Jindal Intellicom Ltd. 14. Jindal ITF Ltd.	1. Hotels Sun Air Ltd. 2. Omexe Ltd. 3. Sahara Prime City Ltd.	1. IUP Jindal Metals & Alloys Ltd. 2. JITF Infraclogistics Ltd. 3. JITF Water Infrastructure Ltd. 4. Jindal Columbs Ltd. 5. JITF Waterways Ltd. 6. Arjan Aromatics Ltd. 7. JITF Shipyard Ltd. 8. JITF Urban Infrastructure Ltd. 9. Jindal Intellicom Ltd. 10. Jindal Rail Infrastructure Ltd. 11. Jindal ITF Limited 12. Jindal Seamless Tubes Ltd.	Nil
Chairman / Membership of Committees in other Indian Public Limited Companies as on 31.3.2011 (C=Chairman ; M=Member)	1 (M)	Nil	Nil	Nil
No. of equity shares held	98700	Nil	15000	Nil



## JINDAL SAW LTD.

Registered office: A-I, UPSIDC Indl. Area, Nandgaon Road,  
Kosi Kalan, Distt. Mathura (U.P.) - 281 403

### PROXY FORM & ATTENDANCE SLIP

I/We ..... of.....

in the district of ..... being a member/of.....

the above named Company hereby appoint.....

of..... in the district of.....

..... of failing him.....

of..... in the district of.....

as my/ our proxy to attend and vote for us/me behalf at the Annual General Meeting to be held on the 30th day of September, 2011 at 1.00 P.M. at A-I, UPSIDC Indl. Area, Nandgaon Road, Kosi Kalan, Distt. Mathura (U.P.) - 281 403 and at any adjournment thereof.

Signed this..... day of.....

Signature.....

Address.....

Affix  
Rene  
Stamp

Folio No. ....

D.P. ID\* .....

Client ID\* .....

N.B. : (1) The Proxy need not be a member.

(2) The Proxy form duly signed and stamped should reach the Company's Regd. Office at least 48 hours before the time of meeting i.e., before 1.00 P.M. on 28th September, 2011.

### ATTENDANCE SLIP

#### PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING HALL AND HAND IT OVER AT THE ENTRANCE

I/We hereby record my /our presence at the 26th Annual General Meeting of the Company at A-I, UPSIDC Indl. Area, Nandgaon Road, Kosi Kalan, Distt. Mathura (U.P.) - 281 403 on 30th day of September, 2011.

Name of the Shareholder ..... Folio No. ....

Name of the Proxy/Representative, if any ..... D.P. ID\* .....

Signature of the Shareholders/Proxy ..... Client ID\* .....

Representative .....

Note : Shareholders/ Proxy holders are requested to bring their Attendance Slips with them and to hand over at the gate of the Meeting Hall after affixing their signature. Please bring the proof of your shareholding.

\*Applicable for investors holding shares in electronic mode.

## JINDAL SAW LTD.

Registered Office :A-I, UPSIDC Indl.Area Nandgaon Road,  
Kosi Kalan, Distt. Mathura (U.P.) – 281 403



**JINDAL SAW LTD.**

Registered office: A-1, UPSIDC Indl. Area, Nandgaon Road,  
Kosi Kalan, Distt. Mathura (U.P.) - 281 403

**E-COMMUNICATION REGISTRATION FORM**

To,  
M/s RCMC Share Registry (P) Ltd.  
B-106, Sector-2,  
Noida - 201 301

**Green Initiative in Corporate Governance**

I/we hereby exercise my/our option to receive all communications from the Company such as Notice of General Meeting, Explanatory Statement, Audited Financial Statements, Balance Sheet, Profit & Loss Account, Directors' Report and Auditor's Report etc. in electronic mode pursuant to the 'Green Initiative in Corporate Governance' taken by the Ministry of Corporate Affairs vide circular No. 17/2011 dated 21st April, 2011. Please register my e-mail ID as given below, in your records, for sending the communication:

Folio No./DP ID & Client ID No. : .....

Name of 1st Registered Holder : .....

Name of Joint Holder(s), if any : .....

Registered Address of the Sole/ 1st Registered Holder :  
.....

No. of Shares held : .....

E-mail ID (to be registered) : .....

Date : ..... Signature : .....

Notes :

- 1) On registration, all communication will be sent to the e-mail ID registered.
- 2) The form is also available on the website on the Company [www.jindalsaw.com](http://www.jindalsaw.com) under the section 'Shareholder's Information'
- 3) Shareholders are requested to keep the Company's Registrar - M/s RCMC Share Registry (P) Ltd. informed as and when there is any change in the e-mail address.



Regd. Office: A-1, UPSIDC, Indl. Area, Nandgaon Road, Kosi Kalan, Distt. Mathura, U.P. - 281403